

## ADDENDUM TO THE AGREEMENT

This ADDENDUM TO THE AGREEMENT is made and entered into this \_\_\_\_ day of June, 2009, by and between the Florida Prepaid College Board (the "Prepaid Board") and the Florida Board of Governors (the "Board of Governors").

### Background

On February 16, 2009, the Prepaid Board and the Board of Governors entered an Agreement concerning payments by the Prepaid Board to state universities on behalf of beneficiaries whose Prepaid Contract was purchased prior to the Effective Date of the Agreement (the "Agreement").

The Effective Date of the Agreement was to be determined, in part, based on the effective date of legislation that authorizes the Prepaid Board to fulfill the payment obligations set forth in the Agreement.

The Legislature has enacted legislation authorizing the Prepaid Board to make certain payments to state universities on behalf of beneficiaries whose Prepaid Contract was purchased before July 1, 2009.

The Parties acknowledge that the Agreement must be revised to be consistent with the authority granted to the Prepaid Board to make the payments required under the Agreement to the state universities.

**NOW THEREFORE**, in consideration of the mutual promises and recitals herein, the parties intending to be legally bound, agree as follows:

1. Paragraph A. 2. of the Agreement is replaced in its entirety to read:
2. "Effective Date" shall mean the day the last of the following actions have occurred: approval of this Addendum to the

Agreement by the Prepaid Board, approval of this Addendum to the Agreement by the Board of Governors, and CS/CS/SB 1696 (2009 Regular Session of the Florida Legislature (Chapter 2009-60, Laws of Florida), became a law.

2. Paragraph B. is replaced in its entirety to read:

B. Payments by the Prepaid Board.

Effective with the 2009-2010 academic year and thereafter, the amount paid by the Prepaid Board to any state university on behalf of a Prepaid Contract beneficiary whose Prepaid Contract was purchased before July 1, 2009, covering Registration Fees, Tuition Differential Fees, Local Fees, and/or Dormitory Fees shall be:

1. The Base Rate for Registration Fees, Tuition Differential Fees, Local Fees and Dormitory Fees, plus the following annual increases in each Fiscal Year:

(a) As to Registration Fees, if the Actuarial Reserve is less than five percent (5.0%) of the expected liabilities of the Prepaid College Trust Fund, the annual increase shall be five and one-half percent (5.5%) for the subsequent fiscal year. If the Actuarial Reserve is equal to or greater than five percent (5%) and less than six percent (6%) of the expected liabilities of the Trust Fund, the annual increase shall be six percent (6%) for the subsequent fiscal year. If the Actuarial Reserve is equal to or greater than six percent (6%) and less than seven and one-half percent (7.5%) of the expected liabilities of the Trust Fund, the annual

increase shall be six and one-half percent (6.5%) for the subsequent fiscal year. If the Actuarial Reserve is equal to or greater than seven and one-half percent (7.5%) of the expected liabilities of the Trust Fund, the annual increase shall be seven percent (7%) for the subsequent fiscal year.

(b) As to Tuition Differential Fees, effective beginning in Fiscal Year 2013-2014, the Fiscal Year 2012-2013 Base Rate of \$37.03 increased by the annual increase determined in Paragraph B.1.(a).

(c) As to Local Fees: five percent (5.0%).

(d) As to Dormitory Fees: six percent (6.0%).

2. The Board shall annually evaluate or cause to be evaluated the actuarial soundness of the Trust Fund.

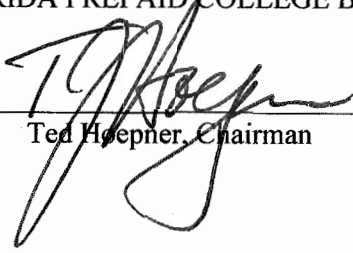
3. The annual increases shall be compounded.

3. This Addendum to the Agreement shall merge with and become a part of the Agreement. All other terms and conditions of the original Agreement shall remain in full force and effect.

**IN WITNESS WHEREOF**, the Parties have caused this ADDENDUM TO THE AGREEMENT to be executed and attested by their respective officers thereunto duly authorized on the day and year first above written.

FLORIDA PREPAID COLLEGE BOARD

By: \_\_\_\_\_

  
Ted Hoepner, Chairman

  
Attest: Thomas J. Wallace, Executive Director

FLORIDA BOARD OF GOVERNORS

By: \_\_\_\_\_

Sheila M. McDevitt, Chair

\_\_\_\_\_  
Attest: Mary-Anne Bestebreurte, Secretary