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DIVISION OF BOND FINANCE

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MEMORANDUM

To: Board of Governors

From: J. Ben Watkins III

A handwritten signature in blue ink, appearing to be "J. Ben Watkins III", written over the printed name.

Date: June 2, 2023

Re: Florida State University Athletics Association ("FSUAA") Football Operations Facility Project

As required by Section 1010.62, Florida Statutes, the Division of Bond Finance ("DBF") has reviewed and analyzed the information provided to support FSUAA's proposed financing of a football operations facility (the "Project") to be located on the main campus of Florida State University (the "University" or "FSU"). The proposed financing of the Project complies with Section 1010.62, Florida Statutes, and the Board of Governors Debt Management Guidelines (the "Guidelines"). DBF has also reviewed the Board of Governors ("BOG") staff analysis of the Project. DBF has analyzed the proposed financing and highlighted information about the transaction for the BOG's consideration in connection with its evaluation of the proposed financing of the Project.

The tax-exempt bonds that will be issued to finance the Project (the "Bonds") will be secured by certain gross revenue streams contractually pledged to FSUAA by the University's athletics department and Seminole Boosters, Inc., including Project-specific donations received within 5 years of issuance of the Bonds. In compliance with the Guidelines and the limitations for securing debt under Section 1010.62, Florida Statutes, the donations for the football operations facility pledged to secure the Bonds will be limited to those received within the first 5 years of issuance. Donations received after the first 5 years of issuance will be available to pay debt service on the Bonds but will not secure the debt.

The Project will be the first debt issuance by the FSUAA, which was established in 2019 by the University's Board of Trustees. Its purpose is to provide greater coordination, efficiency, and transparency for athletics-related fundraising and management. FSUAA's five-member board includes the University President, a member of the University's Board of Trustees, and the Chair of Seminole Boosters, creating strategic alignment among FSU athletics' institutional stakeholders. The University also plans to increasingly integrate its athletic budgetary, financial and operational activities enabling more effective management of the Universities athletic enterprise.

Going forward, the University plans to use the FSUAA as its primary financing platform. The reformulation of the credit structure greatly expands the University's financing capacity for athletics facilities and improves its creditworthiness for future financings. Although some previously issued Seminole Boosters debt remains outstanding, it is expected that FSUAA will refund the debt when such transactions generate debt service savings.

cc: Ray Rodrigues, Chancellor, Board of Governors
Kevin Pichard, Director, Board of Governors
Kyle Clark, Senior Vice President for Finance and Administration, Florida State University