

Questions and Responses for Lease Purchase RFP

1. The RFP indicates that you will want to finance the following equipment types under this program:

Laboratory Equipment
Computer Equipment
Office Equipment
Maintenance Equipment
Real Property
Motor Vehicles

What is the anticipated annual amount to be purchased under each of these equipment types?

At this time, the Board does not have a specified anticipated annual amount to be financed under the lease purchase program, but that in past years, aggregate annual amounts financed under the lease purchase arrangement have ranged from \$0 to approximately \$15 million. There is no assurance by the Board that future issuances will equal or exceed these historical amounts. See the response to question 7 for additional information.

2. What term does the Board of Regents expect to consider for each equipment type? Indicative terms are between 3-15 years. Can you assign a term range to each equipment category?

The term depends on a number of factors, including the useful life of the assets being financed.

3. Can you provide an example of the specific type of equipment you might consider under the following categories:

Laboratory Equipment
Maintenance Equipment
Real Property

Real property could consist of athletic facilities, parking facilities, and other buildings to be constructed on campus or could include the purchase of real estate. Lab equipment examples primarily include technical equipment used for research and educational purposes in laboratories. Maintenance equipment may include any equipment necessary to maintain the buildings and/or grounds on the Regent campuses.

4. When do you expect to make an award(s)?

We anticipate making the award(s) subsequent to Board action currently scheduled on December 8, 2011.

5. Do you have an existing Master Lease Program? If so, can you share the current provider(s)?

Yes, our current provider is Wells Fargo Brokerage Services, LLC.

6. Is there a projection of the amount needed to be financed over the next two years? If so, can you share that with us?

See response to question 7.

7. Are there any projects that have already been identified for financing over the next two years? If so, what types of property do they consist of and what is the anticipated cost and term for each?

There are currently two real property projects that have been identified for possible lease purchase financing in the next two years which are subject to Board approval. No other lease purchase financing needs have been identified at this time.

One project currently anticipates a tax-exempt financing need of approximately \$12 million with a level debt service strategy and a 15 year term.

The other project anticipates a "tax-exempt" financing need of approximately \$25-\$30 million over a 7-10 year term. The University is currently considering level debt service as well as an accelerated repayment strategy to parallel expected cash flow from gifts and operations.

8. What has been the amount financed under the existing lease purchase agreement for the past two years?

The Regents have financed approximately \$10 million under the existing lease purchase agreement in the past 2 years.

9. What types of property have been financed under the existing lease purchase agreement for the past two years, and what is the respective approximate percentage of the total amount financed for each of the property-type categories?

All lease purchase financings in the past 2 years have been for real property.

10. What has been the range and the average of financing terms (in years) for the financings over the last two years? If available, please provide this information by each type of property financed.

The real property financings in the past 2 years have ranged from 5 years to 15 years with an average of 10 years.