Executive Summary

- (At least) four questions we should be asking ourselves:

QUESTION	INITIAL ASSESSMENT
1) Is the current proposal better than the existing agreement?	**Unequivocally, YES.** NPV is greater by more than 60% even if extension is not elected by TCF Bank. Only caveat – how valuable is the call option (i.e. right to extend) we're giving to TCF?
2) Is the current proposal in line with market comparables?	**YES**. Both current and proposed arrangements appear to be top quartile vs. limited universe of other University's w/ naming rights sponsors
3) Is the current proposal in line with intrinsic / fundamental value of the naming rights?	**YES.** Academic research suggests average annual naming rights price of $1.7M.
4) Does the current proposal reflect an equitable surplus distribution between both parties (i.e. what is this worth to TCF Bank?	**NO IDEA**. But worth exploring / factoring in to negotiation strategy.

Question # 1 – Is the current proposal better than the existing agreement?

Summary

- The $8M upfront payment drastically dwarfs the relatively de minimus decline in installment payment ($69k/year decline) making the proposal attractive even if the extension is not elected by TCF.
- Given the proposal does not envision a tick-up in the installment payment during the 2030's, the tough question is whether we are willing to "sell the call option" to TCF Bank and lock in the $1.36M/yr rate. (See slide 5 for more thoughts on the topic.)

NPV Analysis Summary

- The NPV of the proposal is ~63% higher than the current agreement, even if the extension is not elected by TCF.
- ~1/3 of the value (NPV) of the proposal w/ extension is attributable to the cash flow associated w/ the extension (i.e. $4M in ~2020 and installment payments during the 2030s).

$ (in mm)	Net CF	NPV
Current Agreement	$ 17.1	$ 12.8
Proposed (w/out extension)	$ 25.6	$ 20.8
Proposed (w/ extension)	$ 44.5	$ 30.8

NPV Discount Rate Sensitivity

- Assuming a 4.8% cost of capital (equivalent to current 10-year Muni Aa yields)
- Chosen discount rate assumption has no impact on relative attractiveness, just the order of magnitude.

	Discount Rate / Cost of Capital					
$ (in mm)	3%	4%	**4.80%**	6%	7%	8%
Current Agreement	$ 14.2	$ 13.4	**$ 12.8**	$ 12.0	$ 11.4	$ 10.8
Proposed (w/out extension)	$ 22.4	$ 21.5	**$ 20.8**	$ 19.9	$ 19.3	$ 18.6
Proposed (w/ extension)	$ 34.8	$ 32.5	**$ 30.8**	$ 28.6	$ 27.1	$ 25.7

NPV Analysis – Cumulative NPV Trendline

- Cumulative NPV analysis demonstrates the composition of the NPV associated with the timing of each cash flow, in this case affirming the obvious that the lump sum payments are drivers.