



A CALLED MEETING
GEORGIA HIGHER EDUCATION FACILITIES AUTHORITY

April 29, 2009

The Georgia Higher Education Facilities Authority (the “Authority”) held a called board meeting on April 29, 2009 at 1:00 p.m. in the offices of the Georgia State Financing and Investment Commission, 270 Washington Street, Suite 2141, Atlanta, Georgia. Members Ben Tarbutton, III (Chair of the Authority) and Dick Anderson were present in person and member Celeste Osborn participated in the meeting via conference call. The Authority’s Secretary and Treasurer, Diana Pope, was also present. Others in attendance were as follows: Susan Ridley, Lee McElhannon, Angela Jackson, and Frank Thach with the Financing and Investment Division of the Georgia State Financing and Investment Commission (“GSFIC”); Lisa Kennedy with the Georgia Department of Law; Linda Daniels, Peter Hickey, Ron Reed, and Marty Nance with the Board of Regents; Fallany Stover with Alston & Bird LLP; Bryce Holcomb and Guy Logan with Citi.

Call to Order and Adoption of Minutes

The meeting was called to order at approximately 1:06 p.m. by Chair Ben Tarbutton. Mr. Tarbutton stated that the first item on the agenda was to adopt the minutes from the March 18, 2009 Authority meeting. Mr. Anderson made a motion to approve the minutes, and Celeste Osborn seconded the motion; a vote was taken and the

motion to approve the minutes from the March 18, 2009 Authority meeting passed unanimously.

Presentation of the 2009 Series A Projects

Using the presentation materials provided by the Board of Regents, Susan Ridley presented the Authority members with an update on the upcoming bond transaction. The discussion involved the following items: overview of the Authority; schedule of events which reflected dates ranging from the initial Board of Regents approval of projects for the 2009A Bonds on November 10, 2008 to the anticipated bond closing date of July 23, 2009; a comparison of the 2008A Bonds sold in November 2008 to the 2009A Bonds; financing options which included commentary by Guy Logan with Citi regarding the value of bond insurance to help secure the lowest cost of borrowing by allowing for more access to a broader base of investors; the schedule of estimated sources and uses of funds; ten year enrollment history for the University System of Georgia, highlighting the three schools involved in the 2009A financing; and an update on the 2009A projects which included summary proforma information.

Dick Anderson questioned what would happen if market conditions did not support a particular project's revenues. Susan Ridley responded by explaining that the maximum coupon parameter of 6.5% ensures that maximum debt service will be supported by each of the projects' projected revenues. If market conditions will not support a 6.5% transaction, then the Authority will postpone the sale of the bonds until the market tone improves. Currently, market conditions are good; the 2009A Bonds are estimated to sell at a 5.556% true interest cost; however, the members were reminded that conditions are subject to change prior to the 2009A Bonds selling in July 2009.

Approval of Resolution seeking authorization to issue revenue bonds

Chair Ben Tarbutton asked if there were any questions regarding the approval of the resolution seeking authorization to issue revenue bonds in an aggregate principal amount not to exceed \$110,000,000. Dick Anderson noted that the combination of the 2008A Bonds and the 2009A Bonds will soon reach the Authority's authorized limit of having no more than \$300 million in bonds outstanding and asked if there are other projects in the pipeline for the next revenue bond transaction. Susan Ridley commented on behalf of the Technical College System of Georgia ("TCSG"), that TCSG would like to be involved in the next transaction, but does not have a project that meets the Authority's self liquidating criteria to support debt service payments. Ben Tarbutton stressed that it is their desire to involve projects within the Technical College System of Georgia and that Board of Regents Office of Real Estate and Facilities is more than willing to assist as needed. Linda Daniels commented on projects being considered by the Board of Regents and explained that the 6-year project plan presented to the Board of Regents includes the next round of projects to be financed by the Authority. Ron Reed explained that these projects included the following: a student center for Savannah State (approximately \$12 million), a student center for Georgia College and State University (approximately \$28 million), and housing and student center for Coastal College (approximately \$___ million). These projects are still in the preliminary stages of determining if it makes sense to fund them with Authority bonds; they are expected to receive Board of Regents approval at the August 2009 meeting. The question was raised if it makes sense to request the General Assembly to raise the \$300 million limit; all parties were in agreement that the Authority needs to show a successful track record

highlighting the benefits of the Authority to support such a request and that several discussions will need to take place prior to the Fall.

Celeste Osborn made a motion to approve the resolution. Other parameters in the resolution included a maximum rate of 6.50%, maximum annual debt service of \$10,815,075, and a maximum term of 30 years. Dick Anderson seconded the motion. A vote was taken and the motion passed unanimously. GSFIC will be requested to approve the revenue bonds under those same terms on May 6, 2009. The Authority will be asked to meet again after the bonds price to approve the sale.

Introduction to eBoard

Angela Jackson with GSFIC gave a brief introduction on eBoard and showed how it can be a valuable tool especially for document intensive meetings. Ms. Jackson will follow up with individual members to provide training on how eBoard can serve them.

Adjournment

Mr. Tarbutton asked if any Authority member had any other business to discuss. The members did not have any additional business to discuss and the meeting was adjourned at approximately 1:39 p.m.

Ben Tarbutton, III
Chair

Diana Pope
Secretary and Treasurer