



A CALLED MEETING
GEORGIA HIGHER EDUCATION FACILITIES AUTHORITY

July 15, 2009

The Georgia Higher Education Facilities Authority (the “Authority”) held a called board meeting on July 15, 2009 at 10:00 AM EDT in the offices of the Georgia State Financing and Investment Commission, 270 Washington Street, Suite 2141, Atlanta, Georgia. Members Celeste Osborn and Dick Anderson were present in person and members Ben Tarbutton (Chair of the Authority), Mary Flanders and Gary Bishop participated in the meeting via conference call. The Authority’s Secretary and Treasurer, Diana Pope, was also present. Others in attendance were as follows: Tommy Hills and his two interns, Susan Ridley, Lee McElhannon, Angela Jackson with the Georgia State Financing and Investment Division; Lisa Kennedy with the Georgia Department of Law; Linda Daniels, Marty Nance, Ron Reed, Regina Travis, and Cynthia Alexander with the Board of Regents; Fallany Stover with Alston & Bird; Bryce Holcomb and Jessica Donnelly with Citi.

Call to Order and Election of Officers

The meeting was called to order at approximately 10:04 am by Chair Ben Tarbutton. The first item on the agenda was the election of officers. Mr. Tarbutton went over the Bylaws of the Authority which states that no member shall hold the same office for more than two consecutive years. He also pointed out that he has only served one year

as Chair. Mr. Anderson made a motion to re-elect Ben Tarbutton as Chair for Fiscal Year 2010. Ms Osborn seconded the motion. Mr. Tarbutton asked that the members elect all officers at one time. In response, Ms. Osborn nominated the other officers: Dick Anderson as Vice-Chair for a second term, Diana Pope to serve as Secretary and Treasurer for FY 2010. Mary Flanders seconded the nominations; a vote was taken and the motion to approve the elected officers passed unanimously.

Adoption of Minutes

The second item on the agenda was to adopt the minutes from the April 29, 2009 Authority meeting. There was no discussion on the minutes presented. Ms. Osborn made a motion to approve the minutes; and Mr. Anderson seconded the motion. A vote was taken and the motion passed unanimously.

Adoption of Supplemental Resolution seeking approval of the pricing for the 2009 Series A GHEFA Bonds

Susan Ridley discussed the summary provided to all of the board members highlighting the pricing of the bonds. She stated that in late June, after a review of the structure and credit strength of the projects as well as site visits to the project locations, a bond rating of A2 was assigned by Moody's and a rating of A+ was assigned by Standard and Poor's. An investor call was hosted by Citi on Thursday, July 9, 2009. She also stated that on Monday, July 13, 2009 the underwriting syndicate began the retail order period and there was a strong demand for the bonds. The institutional pricing was moved to Monday afternoon rather than waiting until Tuesday morning. By late afternoon on Monday, the bonds were sold with the following details: par amount of \$100,850,000; all-in-TIC of 5.558%; maximum annual debt service of \$7,332,250; average life of 19.7 years; minimum coverage ratio of 1.05 times; and a maximum coupon rate of 5.50%. Ms.

Ridley requested that the Board approve the Supplemental Resolution and the Bond Purchase Agreement. There was a brief discussion noting that the pricing on this issue went a lot smoother than the issue in November. The members congratulated the underwriting syndicate. Subsequent to a proper motion and second, a vote was taken and the motion to approve the Supplemental Resolution and the Bond Purchase Agreement passed unanimously.

Approval of the GHEFA FY 2010 Budget

Susan Ridley presented the FY 2010 proposed budget to the board members. The presentation outlined the total revenue and expenses which includes the audit and travel expenses for the board members. Ms. Ridley also discussed the bond issuance costs associated with the 2009A bond issue which includes all of the fees of the financing team, printing fees, etc. There was no discussion by the board members on the budget. Subsequent to a proper motion and second, a vote was taken and the motion to approve the FY 2010 budget passed unanimously.

Floor Open for Questions

Dick Anderson asked Marty Nance a question regarding future GHEFA projects for the Board of Regents. Marty Nance referred the question to Linda Daniels to answer. She stated that there is a preliminary list of projects that they are currently reviewing but the list has not been finalized by the Board of Regents. The plan is to bring these projects to the board of the Board of Regents this fall. These projects will not be considered at the August BOR board meeting.

Ben Tarbutton brought up the subject of financing TCSG projects to Mary Flanders, who also serves as member of Board of the Technical College System of

Georgia. Susan Ridley mentioned that TCSG staff has been given the preliminary application. Linda Daniels stated that, in the past, she has talked with Laura Gammage at TCSG regarding the strategic planning for capital projects.

Ben Tarbutton asked Linda Daniels what was the status of increasing the cap for outstanding GHEFA bonds from \$300 million to \$500 million on the part of the Legislature. Ms. Daniels stated that BOR has had several internal discussions but no meetings with the Governor's Office have been set. Mr. Tarbutton made the statement that GHEFA so far has been a success and he would like to go ahead and introduce the topic during the next legislative session. He recommended that Ms. Daniels speak with Tom Daniel. Both Mr. Tarbutton and Ms. Flanders commented that all indicators so far show increase enrollment projections for the fall.

Susan Ridley mentioned that the underwriter Request for Proposal ('RFP') is still pending from the last meeting but she is hoping to get the request to issue another RFP at the next GSFIC meeting.

Adjournment

Mr. Tarbutton asked if the members had any other business to discuss and the members did not have any additional comments or business. The meeting was adjourned at approximately 10:25 a.m.

Ben Tarbutton, III
Chair

Diana Pope
Secretary and Treasurer