



A CALLED MEETING
GEORGIA HIGHER EDUCATION FACILITIES AUTHORITY

October 19, 2009

The Georgia Higher Education Facilities Authority (the “Authority”) held a called board meeting on October 19, 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 Dick Anderson and Kevin Clark were present in person and members Ben Tarbutton (Chair of the Authority) and Mary Flanders participated in the meeting via conference call. The Authority’s Secretary and Treasurer, Diana Pope and Lisa Kennedy also participated via conference call. Others in attendance were as follows: Susan Ridley, Lee McElhannon and Angela Jackson with the Georgia State Financing and Investment Commission (“GSFIC”); Tommy Hills, Chief Financial Officer with the Office of the Governor; Regina Travis and Cynthia Alexander with the Board of Regents (“BOR”).

Call to Order and Adoption of Minutes

The meeting was called to order at approximately 10:02 AM by Chair Ben Tarbutton. The first item on the agenda was to adopt the minutes from the August 13, 2009 Authority meeting. The Chairman asked if there were any questions related to the minutes. There was no further discussion on the minutes as presented. Dick Anderson made a motion to approve the minutes; and Mary Flanders seconded the motion. A vote was taken and the motion passed unanimously.

Adoption of Resolution seeking approval of the underwriters syndicate for
GHEFA for subsequent bond issues

Susan Ridley presented the resolution requesting the Authority's approval of the underwriting syndicate to serve GHEFA until June 30, 2011. Ms. Ridley gave an overview of the RFP process to the board members. She stated that GHEFA posted the RFP on September 16th and that the Authority's financial advisor, Public Resources Advisory Group ("PRAG"), emailed the RFP to 42 different firms. She also stated that the deadline for receiving all proposals was October 2nd. Ms. Ridley mentioned that there were a few questions from the firms and the Q & A was posted on September 28th. She went on to state that 29 proposals were received. The GSFIC staff along with BOR, PRAG and Tommy Hills evaluated the proposals. She listed the selected firms as follows: Wells Fargo, Citi and Merrill Lynch will serve as rotating senior managing underwriters, and Morgan Keegan, Suntrust, Barclays, Robert. W. Baird, and Jefferies will serve as co-managers. Dick Anderson had a question regarding how the senior underwriters will rotate. Ms. Ridley stated that they will rotate by bond issue; Wells Fargo will lead the next transaction and Citi will follow. Both Wells Fargo and Citi were leaders on the last two bond issues. This rotation allows Merrill Lynch to observe the next two issues, and prepare them to serve as lead senior on the third transaction. The Chairman pointed out that a revision was made to the resolution that was discovered by Kevin Clark. The word "issue" needed to be inserted in the first sentence of the second paragraph on page 1. The Chairman thanked Ms. Ridley for going over the RFP process and asked if there were anymore questions related to the resolution. There was no further discussion on the resolution as presented. Mary Flanders made a motion to approve the resolution; and Dick Anderson seconded the motion. A vote was taken and the motion passed unanimously.

Presentation of the 2009 GHEFA Audit

Angela Jackson of GSFIC presented the FY2009 audit of GHEFA's financial statements to the members, stating first of all that there were no findings found. She then highlighted items from the Management's Discussion and Analysis section of the audit which is intended to provide an overview of the Authorities activities in FY2009. She brought to the members' attention the comparison between FY2008 and FY2009, reminding them that the only activity in FY2008 was the transfer of funds from GEA(U). In FY2009, the Authority sold its first series of revenue bonds which provided funding for eight projects at seven universities and she stated that majority of the Authority's fiscal year activity is due to the bonds that were sold. She also referenced that Note 3 and Note 4 provide a schedule of amounts to be received from the lease with the Foundation and debt service payments to be made on the bonds. Regarding the budget for administrative expenses, it was shown that the Authority spent only 51% of the management budget in FY2009. There were no comments to the presentation of the FY2009 GHEFA audited financial statements.

Floor Open for Questions

Ms. Ridley explained that the next step would be to request GSFIC approval on November 4th of the Authority's underwriting syndicate which was just approved. Once that action occurs, they will contact Wells Fargo to begin work on the upcoming bond transaction. The Chairman asked when they should expect to be requested to approve the projects for the next issue. Regina Travis of BOR stated that BOR is expected to approve projects for GHEFA financing during the first quarter of calendar year 2010. The Chairman mentioned that it would be helpful if the board members were to receive

information regarding the proposed projects as soon as it becomes available. Ms. Ridley agreed.

Adjournment

The Chairman asked if the members had any other business to discuss and the members did not have any additional comments or business. He then asked for a motion to adjourn the meeting. Dick Anderson made a motion to adjourn; and Mary Flanders seconded the motion. The meeting was adjourned at approximately 10:15 AM.

Ben Tarbutton, III
Chair

Diana Pope
Secretary and Treasurer