



A CALLED MEETING
GEORGIA HIGHER EDUCATION FACILITIES AUTHORITY
October 2, 2007

The Georgia Higher Education Facilities Authority (“Authority”) held a called board meeting on October 2, 2007 at 10:00 a.m. in the offices of the Georgia State Financing and Investment Commission, 270 Washington Street, Suite 2141, Atlanta, Georgia. The following members were present: Celeste Osborn, Chair; Diana Pope, Secretary and Treasurer; and Ben Tarbutton, III. Members Dick Anderson and Gary Bishop participated in the meeting via conference call. Also in attendance were: Tommy Hills, Chief Financial Officer for the Office of the Governor; Lee McElhannon and Holly Green with the Georgia State Financing and Investment Division; and Tonya Curry with the Attorney General’s Office.

CALL TO ORDER

The meeting was called to order at approximately 10:03 a.m. by Chair Celeste Osborn. It was noted that all members were present.

ELECTION OF OFFICERS

Ms. Osborn stated that because the board officers’ terms of office have expired, the first order of business for the board of the Authority should be to re-elect the officers. Ms. Osborn stated that she would like the opportunity to continue to serve as Chair of the Authority for one more term in order to maintain continuity. Mr. Tarbutton made a

motion to re-elect Celeste Osborn as Chair of the Authority, and the motion was seconded by Mr. Anderson. A vote was taken, and the motion passed unanimously. Ms. Osborn then made a motion to nominate Mr. Tarbutton as the Vice Chair of the Authority. The motion was seconded by Mr. Anderson. A vote was taken, and the motion passed unanimously. Ms. Osborn then made a motion to re-elect Ms. Pope as the Secretary and Treasurer of the Authority, and the motion was seconded by Mr. Tarbutton. A vote was taken, and the motion passed unanimously.

Ms. Osborn stated that while the bylaws were drafted to allow for rotation in board officers by allowing each officer to only serve two consecutive terms in an office, the board should consider amending the bylaws to provide for continuous terms for the office of Secretary and Treasurer.

APPROVAL OF MINUTES OF THE JULY 31, 2007 MEETING

The previously distributed minutes of the Authority meeting held on July 31, 2007 were unanimously approved without discussion. Mr. Tarbutton made a motion to approve the minutes, which was seconded by Mr. Anderson.

UPDATE ON THE DEVELOPMENT OF THE AUTHORITY'S BOND PROGRAM

Ms. Osborn called on Ms. Pope to provide the Authority with a brief summary of the development of the Authority's revenue bond program.

Ms. Pope began by stating that the staff of the Financing and Investment Division of the Georgia State Financing and Investment Commission has had several successful meetings with the staff of the Board of Regents and the Department of Technical and Adult Education ("DTAE") to discuss the project list and the application process in order to ensure that each project financed by the Authority is self-liquidating in order to meet

the requirements of the statute, and that they are working diligently towards the goal of issuing the Authority's initial series of bonds in the first quarter of calendar year 2008. Ms. Pope stated that she anticipates the Board of Regents will present seven projects totaling approximately \$75 million to the Authority for financing. Ms. Pope stated that DTAE plans to request Authority financing for a Dekalb Technical College parking deck project, however the timing for funding for that project has not yet been determined.

Mr. Anderson stated that he is aware that Kennesaw State has several projects that are in need of financing, and asked whether or not there was a pipeline of projects anticipated for financing. Mr. Tarbuton stated that the Board of Regents has developed a six year capital construction plan, which includes all bond-funded projects, all projects to be financed through the public private ventures program, and all projects seeking Authority financing. Mr. Tarbuton further stated that the capital construction plan should be voted upon at next week's Board of Regents meeting. Ms. Osborn indicated that as the need for Authority financed projects increases, there is a possibility that the \$300 million cap on Authority revenue bonds could be increased through legislative action.

APPROVAL BY RESOLUTION OF THE RECOMMENDED UNDERWRITERS WHO
WILL ASSIST IN DEVELOPING THE BOND PROGRAM AND SERVE AS THE
INITIAL UNDERWRITERS FOR THE AUTHORITY'S BONDS

Ms. Pope explained that a crucial part of establishing the Authority's revenue bond program is obtaining an underwriter to assist with finalizing the financing structure. A request for proposals for underwriters was issued by the Authority on August 31, 2007. Ms. Pope reported that fifteen proposals were submitted. Ms. Pope explained that the

proposals were reviewed by her staff and also by the Authority's financial advisor, Public Resources Advisory Group ("PRAG"). In reviewing the proposals much emphasis was placed on the underwriter's level of experience in financing projects for higher education institutions in Georgia. The review resulted in the recommendation for Authority approval an underwriting pool consisting of: Wachovia Securities/A.G. Edwards & Sons, Inc. and Citigroup Global Markets, Inc. as co-senior managing underwriters and the co-manager underwriters and selling group members listed on Exhibit A to the Authority resolution (attached hereto and incorporated herein as Exhibit I) to serve on a rotating basis for an approximate three year period. Ms. Pope explained that while both co-senior managing underwriters will share the responsibility for assisting in the development of the Authority's financing structure, Wachovia Securities/A.G. Edwards & Sons, Inc. will serve as the book runner having primary responsibility for development of the bond program and the distribution of the bonds sold in the first issue.

Mr. Anderson complimented the evaluation team for placing more emphasis on the underwriter's level of experience in financing higher education projects in Georgia rather than on cost alone. Ms. Osborn noted that PRAG also serves as the State's financial advisor, and she greatly values the quality of the financial advice that they provide to the State. Mr. Bishop made a motion to approve the resolution (attached hereto and incorporated herein as Exhibit I) appointing the underwriting team, and the motion was seconded by Mr. Tarbutton. A vote was taken, and the motion passed unanimously.

APPROVAL BY RESOLUTION THE DELEGATION OF AUTHORITY TO THE
SECRETARY AND TREASURER TO EXECUTE DECLARATIONS OF INTENT ON
BEHALF OF THE AUTHORITY

Ms. Pope then briefed the members on the Authority's need to establish a declaration of intent procedure. Ms. Pope explained that the declaration of intent process is provided under the IRS regulations to reimburse entities receiving bond funds for eligible expenditures made before the bonds were issued. Ms. Pope stated that it was her understanding that the universities and colleges which make up the Board of Regents and DTAE will be incurring costs related to feasibility studies and other initial stages of project preparation. Ms. Pope stated that the resolution presented for Authority approval would delegate the authority to the board Secretary and Treasurer to issue declarations of intent to reimburse the colleges and universities which comprise the Board of Regents and DTAE for eligible expenditures incurred prior to the sale of Authority revenue bonds.

Mr. Tarbutton made a motion to approve the resolution (attached hereto and incorporated herein as Exhibit II); the motion was seconded by Mr. Anderson. A vote was taken and the motion passed unanimously.

NEW BUSINESS AND ADJOURNMENT

Ms. Osborn asked if there was any other Authority business that needed to be discussed. No additional discussion was necessary, and Mr. Tarbutton moved to adjourn the meeting at approximately 10:20 a.m.

Celeste G. Osborn
Chair

Diana Pope
Secretary and Treasurer