

**OHIO HIGHER EDUCATIONAL FACILITY COMMISSION**  
**MINUTES OF THE MEETING OF THE COMMISSION**

**October 19, 2011**

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, October 19, 2011, at 11:00 a.m. in Room 260 of the Ohio Dominican University Student Center, 1191 Sunbury Road, Columbus, Ohio, written notice of which had been given to all members of the Commission.

The following members attended: John R. Wells, Chairman; Kenneth Kutina, Secretary; Lynnda Davis; Katie Hensel; Thomas Needles; and Susan Tate. Wanda Carter was absent. Also present were: Ben Christensen of the Ohio Board of Regents; and Alexander G. Burlingame and Francis Barry Keefe of Squire, Sanders & Dempsey (US) LLP, Bond Counsel to the Commission.

The meeting was called to order by the Chairman. Upon call of the roll, the Secretary declared that a quorum was present. He also stated that the notice of this meeting had been given to all media, organizations or other persons who requested that information in accordance, and in full compliance, with Section 121.22 of the Revised Code.

The Chairman noted that the minutes of the Commission meeting of September 21, 2011 were sent to each member prior to this meeting; those minutes are also included in the meeting books for each member. Upon a motion by Mr. Needles that was seconded by Mrs. Davis, all Commission members present approved the minutes of that meeting.

## THE CLEVELAND INSTITUTE OF MUSIC

The Chairman next called upon Mr. Burlingame to speak to the Commission members regarding the proposed resolution for The Cleveland Institute of Music. Mr. Burlingame noted that the proposed resolution approves technical amendments to the documents relating to the bond issue for The Cleveland Institute of Music that closed this past December. The Bond issue was a direct placement transaction, with the bonds having been purchased by KeyBank and PNC Bank. The proposed document amendments are necessary to provide for a prepayment schedule that has been agreed upon by the Institute and the bondholders. Responding to questions from Commission members, Mr. Burlingame confirmed that all other aspects of the transaction will remain unchanged.

The resolution under consideration approves document amendments needed to facilitate the Institute's prepayment schedule.

Ms. Tate moved and Mrs. Hensel seconded the motion that Resolution No. 2011-11 be adopted.

There being no further discussion, the Chairman called for the roll and, pursuant to the roll call, the following votes were cast:

Aye: Davis; Hensel; Kutina; Needles; Tate; Wells

Nay: None

The Chairman declared the motion passed and Resolution No. 2011-11 adopted.

Resolution No. 2011-11 is as follows:

## CIFG NORTH AMERICA

The Chairman next called upon Mr. Burlingame to speak to the Commission members about the resolution regarding CIFG North America, Inc. ("CIFG"). Mr. Burlingame noted that CIFG in past years had been one of the "Triple A" rated bond insurers that had issued bond insurance policies for several Commission bond issues. CIFG had also issued surety bonds to provide for debt service reserve funds in certain bond issues as well. Like other bond insurers, CIFG was hit hard by the economic downturn in late 2007 and 2008. This is partly attributable to CIFG's exposure to mortgage-backed securities. Its fortunes have declined so much that it is no longer issuing new policies and the major rating agencies have declined to assign any rating to them. As CIFG's economic prospects began to decline, another bond insurer (Assured Guaranty) agreed to assume its obligations under certain bond insurance policies and surety bonds. Unlike so many other bond insurers, Assured Guaranty remains a viable bond insurance company, actively issuing insurance policies and maintaining an investment grade rating with the major rating agencies. The proposed resolution authorizes any actions that may be needed to facilitate Assured Guaranty's assumption of CIFG obligations under policies and surety bonds that have been issued in connection with Commission bonds. The Commission is not obligated to assist in this process. If requested by a college or university, however, to do so, facilitating this assumption will likely improve the rating on the subject bonds, which is to the benefit of bondholders. Responding to questions from Mr. Needles and Mrs. Davis, Mr. Keefe and Mr. Burlingame confirmed that CIFG itself is no longer issuing bond insurance policies. The use of bond insurance has declined dramatically over the last three years. In fact, there has been no new Commission bond issue with bond insurance since the first half of 2008.

The resolution under consideration approves necessary documents and actions for Assured Guaranty's assumption of CIFG obligations.

Mr. Needles moved and Dr. Kutina seconded the motion that Resolution No. 2011-12 be adopted.

There being no further discussion, the Chairman called for the roll and, pursuant to the roll call, the following votes were cast:

Aye: Davis; Hensel; Kutina; Needles; Tate; Wells

Nay: None

The Chairman declared the motion passed and Resolution No. 2011-12 adopted.

Resolution No. 2011-12 is as follows:

## ANNUAL MEETING

### Election of Officers

The Chairman next opened the portion of the meeting that constitutes the Commission's Annual Meeting. The Chairman noted that Mrs. Hensel had indicated her willingness to serve as Vice Chair of the Commission. The position of Vice Chair has remained vacant since David Cummins resigned from the Board of Regents earlier this year.

There being no further discussion, Mr. Needles moved and Ms. Tate seconded the motion that Resolution No. 2011-13 be adopted providing for the election of Katie Hensel as Vice Chair of the Commission, to serve until her resignation, until a successor is duly elected or until such time as she is no longer a member of the Commission.

There being no further discussion, the Chairman called for the roll and, pursuant to the roll call, the following votes were cast:

Aye: Davis; Hensel; Kutina; Needles; Tate; Wells

Nay: None

The Chairman declared the motion passed and Resolution No. 2011-13 adopted and Mrs. Hensel was thereby elected Vice Chair of the Commission.

The Chairman noted that the Commission should also vote on the office of Secretary. Dr. Kutina indicated that he was willing to continue to serve as Secretary.

There being no further discussion, Mr. Needles moved and Mrs. Davis seconded the motion that Resolution No. 2011-14 be adopted providing for the election of Kenneth Kutina as Secretary of the Commission, to serve until his resignation, until a successor is duly elected or until such time as he is no longer a member of the Commission.

There being no further discussion, the Chairman called for the roll and, pursuant to the roll call, the following votes were cast:

Aye: Davis; Hensel; Kutina; Needles; Tate; Wells

Nay: None

The Chairman declared the motion passed and Resolution No. 2011-14 adopted and Dr. Kutina was thereby elected Secretary of the Commission.

**Bond Counsel to the Commission**

The Chairman next referred to the resolution regarding retention of bond counsel, noting that the current resolution on the subject is due to expire at the end of the year. The Chairman next asked the Commission members if there were any comments or questions on the subject. There were none.

Mr. Needles moved and Mrs. Hensel seconded the motion that Resolution No. 2011-15 be adopted.

There being no further discussion, the Chairman called for the roll and, pursuant to the roll call, the following votes were cast:

Aye: Davis; Hensel; Kutina; Needles; Tate; Wells

Nay: None

The Chairman declared the motion passed and Resolution No. 2011-15 adopted.

Resolution No. 2011-15 is as follows:

## OTHER BUSINESS

The Chairman noted that a proposed 2012 meeting schedule had been distributed to Commission members. Mr. Burlingame noted that, with the exception of November, the proposed schedule provided for meetings at 11:00 a.m. on the third Wednesday of each month. The Commission members present agreed to continue meeting in 2012 at 11:00 a.m. on the third Wednesday of each month (except November) as needed.

The Chairman next opened the discussion regarding the Commission's two-meeting approval process. Mr. Burlingame noted that under current policy, the only types of financings that do not require both a preliminary and final approval are: (i) refinancing transactions and (ii) so-called "tax-exempt lease" financings. Under discussion was the question of whether private placement transactions should be excepted from the two-meeting approval requirement. Private placement transactions are typically smaller and require less documentation. For example, there is no official statement and often there is no trust agreement. Mrs. Davis stated her preference for the two-meeting process. It gives a better opportunity for Commission members to more fully understand a proposed project and related financing. Ms. Tate and Dr. Kutina shared their agreement on that point. There being no present interest in modifying Commission policy on this subject, the Chairman closed the discussion.

**CALL OF NEXT MEETING AND ADJOURNMENT**

It is now expected that the Commission will next meet on November 16, 2011, if necessary, or upon the call of the Chairman. On a motion duly made and seconded, the meeting was adjourned.

  
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Secretary