

OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

MINUTES OF THE MEETING OF THE COMMISSION

January 18, 2006

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, January 18, 2006, at 11:00 a.m. at the offices of the Ohio Board of Regents, 36th Floor, State Office Building, 30 East Broad Street, Columbus, Ohio, written notice of which had been given to all members of the Commission.

The following members attended: Thomas Needles, Chairman; Richard Petrick, Vice Chairman; Kenneth Kutina, Deputy Secretary; Wanda Carter, Ronald E. Cosey and Tahlman Krumm. John Wells, Secretary, and Henry Kasson were absent. Also present were representatives of the institutions making presentations to the Commission and Francis Barry Keefe of Squire, Sanders & Dempsey L.L.P., Bond Counsel to the Commission.

The meeting was called to order by the Chairman. Upon call of the roll, Dr. Kutina 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 November 16, 2005, were sent to each member and are included in the meeting books for each member. Upon review, the Commission approved the minutes of that meeting as submitted.

ANTIOCH UNIVERSITY

Dr. Barbara Danley spoke on behalf of the University concerning the proposed construction of a new building for the McGregor division. In response to a question from Mr. Needles, she stated that the project was on schedule. Work will begin in May and the building will be ready for use in the Fall of 2007. Mr. Glenn Watts, the University's former fiscal officer and consultant for this project, added that the University received its recent audit and he expected Standard and Poor's to provide a rating on the bonds soon.

At the request of the Chairman, Mr. Keefe explained that the resolution to be considered authorizes the bond issue and approves the bond documents, which have been prepared and presented to the Commission.

Dr. Krumm moved and Mr. Cosey seconded the motion that Resolution No. 2006-1 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: Carter, Cosey, Krumm, Kutina, Needles, Petrick

Nay: None

The Chairman declared the motion passed and Resolution No. 2006-1 adopted.

Resolution No. 2006-1 is as follows:

UNIVERSITY OF NORTHWESTERN OHIO

Jeff Jarvis, the President and James Bronder, the Controller, appeared on behalf of the University.

At the invitation of the Chairman, President Jarvis spoke about the project to be financed with the proposed bond issue. The University has acquired approximately 110 acres of land west of the existing campus. A portion of that land will be used for several of the project facilities, including the student life center and the student health facility. The University is also planning future student residence facilities to occupy a portion of that land. President Jarvis briefly described the facilities making up the project as set forth in the University's application letter. These include the student life center, which will house the food court and food service for both dormitory and commuter students. The University plans to institute a meal program for students. This building will also house administrative offices, TV and radio stations and other student activity offices. The student health facility will include a gym, rock climbing wall, fitness center and an indoor track.

In response to a question from Dr. Krumm, Mr. Jarvis noted that the school's retention rate was about 68%. He believes that approximately 40% of those students leaving do so because of a lack of student activities and other amenities on the campus. This financing would attempt to respond to those needs. Responding to several questions from Dr. Kutina, Mr. Jarvis noted that the gender ratios for the various programs at the University were: for the Business College, 70% female and 30% male; for the Technology College, 95% male and 5% female. Efforts are being made to increase the number of female students in the College of Technology. Total enrollment is approximately 2,600 students with approximately 250 students in the distance learning program. Approximately 60% of the students earn an associate degree in the Business College with the remaining earning a B.A. degree. There are student residence facilities for approximately 1,280 students. An additional 480 students live in off-campus housing. The University plans to construct student residence facilities in the future to accommodate those students. The University plans to retire the debt in part through an increase in the student activity fee. In addition, the University anticipates increased enrollment for several of its programs and improving the retention by 25%, which will add to tuition revenues. The rest will come from operating revenues. The property to be acquired from the LRJ Partnership is a large portion of the original campus. It is now being leased by the University. The debt service on this portion of the bonds will replace the lease payments. Dr. Krumm asked if there was still "shelf-life" left in these buildings to be purchased. Mr. Jarvis stated that these buildings were indispensable to the University. Most of the buildings were constructed in the 1970s and are in good shape and still in use today. In responding to a question from Ms. Carter, Mr. Jarvis noted that enrollment is expected to increase by 10% to 15% during the next five years. The demand remains very high for the University's programs. The new buildings and resulting new programming will help with that enrollment growth and also help with retention. In response to questions from Mr. Cosey, Mr. Jarvis noted that the University grants degrees in automotive mechanics, diesel, high performance engine, HVAC, and alternate fuels. He also explained that development (fundraising) is something new for the University. The Development Office was initiated only four years ago. There have been some small capital campaigns. There is about \$3.6 million in the Development Fund. The University's alumni have not really been tapped as a source of funds. They have not been particularly active or solicited in

the past. There are approximately 26,000 alumni in the area, which was pointed out as a potential source of future fundraising. Responding to several questions from Mr. Petrick, Mr. Jarvis noted that the total enrollment of approximately 2,600 students results in a full-time equivalent very close to that number; there are very few part-time students. He also noted that there is no discounting of tuition. The projected increase in enrollment should occur even though the number of 18-year olds in Ohio will decrease over the period 2009 to 2014. The University is recruiting in new areas. Enrollment in the Technology College is 80% out of state, 20% in state and in the Business College it is just the reverse. As noted above, demand remains high. One reason is that job placement from the Technology College is 98%.

In connection with the proposed bond issue, Mr. Bronder noted that a portion of the bond proceeds would be used to pay off an earlier bond issue and a construction loan for the high performance motor sports building. The purchase of the property from the LRJ Partnership is an arm's length transaction and has been signed off by the University's auditors. Mr. Bronder also noted that the University is in the process of hiring additional people for the Finance Department, as recommended in the recent auditor's report. In response to questions from Dr. Kutina, Mr. Jarvis explained that the school's competitors for the business program would be the local branch of the Ohio State University, Rhodes Community College and the University of Findlay. For the technical program, the competition would be primarily from proprietary schools, including University Technical Institute, the Ohio Technical College in Cleveland and other similar schools in Nashville and Wyoming. The program for training in alternative fuels is only one of six in the nation. It trains technicians in servicing engines, such as the new hybrids, and engines running on alternate fuels, such as propane or diesel. There are 40 students in this program and it is expected to grow. The University has a training program for Ford Motor employees. This is a training program and the facilities are not leased out to Ford. In response to several questions from Mr. Needles, Mr. Jarvis explained that the Board of Trustees is very active and is behind this project 100%. There are approximately 870 students in the motor sports program and over the next 10 years as facilities become available, the University could add another 750 students. The Technology College graduates are offered jobs all over the country. Most seem to go back to where they came from.

Mr. Keefe noted that the bonds are expected to be issued as variable rate issue backed with a letter of credit. The Huntington National Bank is working with the University in connection with the bond issue, including as a potential provider for the Letter of Credit. He stated that the resolution before the Commission approves the Preliminary Agreement for the bond issue for the University and it is in its usual form as is the Preliminary Agreement.

Ms. Carter moved and Mr. Petrick seconded the motion that Resolution No. 2006-2 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: Carter, Cosey, Krumm, Kutina, Needles, Petrick

Nay: None

The Chairman declared the motion passed and Resolution No. 2006-2 adopted.

Resolution No. 2006-2 is as follows:

CALL OF NEXT MEETING AND ADJOURNMENT

The Commission will next meet upon the call of the Chairman. On motion duly made and seconded, the meeting was adjourned.

Deputy Secretary