

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

January 16, 2013

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, January 16, 2013, at 11:00 a.m. at the Riffe Center, 19th Floor, 77 South High Street, Columbus, Ohio, written notice of which had been given to all members of the Commission.

The following members attended: Thomas Needles, Chair; David Cannon, Vice Chair; Kenneth Kutina, Secretary; Wanda Carter; James Shindler; Susan Tate; and James Wilson. Absent from the meeting was: John Wells. Also present were: a representative of the institution appearing before the Commission; Ben Christensen of the Ohio Board of Regents; and Alexander G. Burlingame of Squire Sanders (US) LLP, Bond Counsel to the Commission.

The meeting was called to order by the Chair. 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 Chair noted that the minutes of the Commission meeting of November 14, 2012, 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 Dr. Kutina that was seconded by Mr. Shindler, all Commission members present approved the minutes of that meeting.

CASE WESTERN RESERVE UNIVERSITY

The Chairman next called upon Robert Brown, Treasurer, to speak to the Commission members regarding Case Western Reserve University's financing request. Mr. Brown thanked the Commission members, noting that it had been some time since he had been before the Commission. The University's financial position remains solid and it is enjoying its largest ever incoming class of over 1,350 students that entered this past fall. Academic quality of incoming students has improved, with Mr. Brown noting that the University's ideal class size is approximately 1,300 students. The University's request is for increased capacity under its commercial paper financing program with the Commission. Proceeds of the new capacity will be used to finance, on an interim basis, the University's new student center and a new field house. Over time, the commercial paper proceeds may also be used to finance, on interim basis, a performing arts center, medical education facilities and other University facilities. Mr. Brown noted President Barbara R. Snyder's commitment to financing all new University facilities through philanthropy. As part of other University initiatives, Mr. Brown noted that the University may be seeking approval later in the year to finance a new student residence facility. The associated debt would be paid from student fees associated with the facility. The University also has recently entered into a commitment to buy, in partnership with The Cleveland Museum of Art, the original Cleveland Institute of Art building situated on a four-acre parcel in University Circle. Closing on the acquisition is expected sometime in the next two years, with the use of the site to be determined. Mr. Brown noted that the proposed Commission approval would give the University a total of \$90 million of borrowing capacity under the commercial paper program. Morgan Stanley will continue to act as dealer for the program. Existing commercial paper notes will continue to be secured by a JPMorgan Credit Facility, while new notes will be secured by a Credit Agreement provided by Northern Trust. The inclusion of a Northern Trust Credit Agreement will be helpful as it provides diversification for both the University and its investors. Mr. Brown then inquired of the Commission members as to whether they had any questions.

In response to questions from Ms. Tate and Mr. Cannon, Mr. Brown noted that the University intends to pay-down its debt as gift proceeds are received. The term of commercial paper notes can be up to 270 days, but terms are more often in the 30 to 45 day range. While the resolution approving the increased amount of commercial paper authorizes the issuance of \$45 million of commercial paper notes, there will be no more than \$30 million of the new notes outstanding at any one time. Mr. Brown confirmed that the University does enjoy a significant amount of revenue from research funding, including NIH and Department of Defense funding. While there is some risk associated with the continued availability of those funds, Mr. Brown believes the University is well positioned to address any decrease in future funding.

Mr. Burlingame stated that the note documents have been prepared and are presented in substantially final form. The resolution under consideration approves the issuance of commercial paper notes and related documents.

Mr. Cannon moved and Mrs. Carter seconded the motion that Resolution No. 2013-01 be adopted.

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

Aye: Cannon; Carter; Kutina; Needles; Shindler; Tate; Wilson

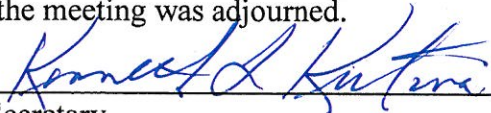
Nay: None

The Chair declared the motion passed and Resolution No. 2013-01 adopted.

Resolution No. 2013-01 is as follows:

OTHER BUSINESS/CALL OF NEXT MEETING AND ADJOURNMENT

The Chair noted that Lynnda Davis had resigned from the Commission in December. The Commission will miss her valuable input and participation. Mr. Needles noted, and other Commission members confirmed, that a future Commission agenda should include a resolution honoring Lynnda Davis. It is now expected that the Commission will next meet on February 20, 2013, if necessary, or upon the call of the Chair. The Commission members also discussed the possibility of holding its February meeting on the campus of Denison University. The Chair confirmed that, should the University agree to it, the February meeting will be held at that location. On a motion duly made and seconded, the meeting was adjourned.


Secretary