

**MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF
LCTCS FACILITIES CORPORATION
September 30, 2009
1:30 p.m.**

A duly called conference call meeting of the Board of Directors of LCTCS Facilities Corporation (the "Corporation") was held on September 30, 2009. Those directors of the Corporation present include: Stevie Smith, Chair; Jimmy Dimos, Secretary; Lambert Boissiere, Treasurer; and Billy Montgomery, Director. Other participants were Jan Jackson, Fred Chevalier, John Mayeaux, Bob Bowsher, Patti Dunbar, Lane Sisung, Liza Sherman and Michele Nardini.

On the motion of Director Montgomery, seconded by Treasurer Boissiere, the minutes from the LCTCS Facilities Corporation meeting held on July 9, 2009 were unanimously approved.

Explanation and update of Bond Sale and Closing Activities - Mr. John Mayeaux said the closing is scheduled for October 1, 2009 for the first phase of bonds in the amount of \$64,570,000, covering \$57.25 million in projects. Mr. Mayeaux said the bonds were very well received by the market, with demand far outweighing supply. Director Montgomery asked for the locations of the projects that are included in the first phase of the bond sale. Ms. Jan Jackson provided the list, as follows:

- Huey P. Long LTC Campus, Winnfield, LA
- Northwest LTC Campus, Minden, LA
- Young Memorial LTC Campus, Morgan City, LA
- Florida Parishes LTC Campus, land only, Greensburg, LA
- Westside LTC Campus, Plaquemine, LA
- Gulf Area LTC Campus, Abbeville, LA
- Shelby M. Jackson LTC Campus, Ferriday, LA
- Nunez Community College, Allied Health, Arts & Sciences and Physical Activity Center, Chalmette, LA
- L. E. Fletcher Technical Community College, Land and Design, Houma, LA
- A portion of the Student Information System, Systemwide

Treasurer Boissiere suggested the press release on the bond sale should also list the projects that are not fund in Phase 1, but will be funded in the next two phases.

Mr. Mayeaux said the bonds sold at an average rate of 4.51 percent and will fund 105 percent of the cost of the projects listed in Phase 1. Mr. Mayeaux reminded the group that a 15 percent contingency fee was built into the project; however, the bonds were sold to fund only 5 percent above the cost for the first phase, due to the uncertainty of interest rates for the next two phases of bond sales. Mr. Mayeaux said he hopes to make up this difference in the next two phases of bond sales by possibly financing Phase 2 at 110 percent and Phase 3 at 115 percent. Secretary Dimos asked when the next two phases of bond sales would occur. Mr. Mayeaux said

he anticipates the sale of bonds for Phase 2 to occur approximately one year after Phase 1 and the sale of bonds for Phase 3 to occur approximately one year after Phase 2. He indicated these dates would be driven by the readiness of the market and interest rates and could occur earlier than one year apart. Chair Smith asked when the funds would be available in the Trustee Account. Mr. Mayeaux said those funds would be available on October 1, 2009.

Approval of Closing Order (bond related cost of issuance expenses that will be paid at closing) – Mr. Mayeaux explained the difference between the bond related costs on the Closing Order and the non-bond expenses on the Administrative Fund Requisition. He also stated the financial advisor's contract had expired. Mr. Mayeaux explained that the fees for the financial advisor were higher than originally estimated due to the division of the project into three phases, resulting in three separate transactions and more work. He said the original estimate of fees for the financial advisor was 10 basis points and the actual fee was 16.5 basis points. Mr. Mayeaux said that typically, the cost of issuance should be less than 2 percent for a bond transaction. He said the cost of issuance fees for this transaction fell at slightly over 1.5 percent. Ms. Jan Jackson said the fees are in line with other projects handled by the LCTCS.

Ms. Jan Jackson reviewed the list of expenses on the Closing Order, as shown on Exhibit A, attached. On the motion of Treasurer Boissiere, seconded by Secretary Dimos, the Board approved payment of the expenses listed on the Closing Order.

Approval of Contract with Sisung Securities – Mr. John Mayeaux said he would send a new contract to Chair Smith that would reflect the new dates and the change in compensation to the financial advisor. On the motion of Director Montgomery, seconded by Treasurer Boissiere, the Board authorized the Board Chair to execute the new contract with Sisung Securities, Financial Advisor, on behalf of the LCTCS Facilities Corporation, effective September 30, 2009 through December 31, 2013, for a fee of 16.5 basis points.

Approval of Administrative Fund Requisition (Expenses that are not traditionally a part of bond work cost of issuance) – Ms. Jan Jackson reviewed the expenses for non-bond related fees as listed on the Administrative Fund Requisition, as shown on Exhibit B, attached. On the motion of Director Montgomery, seconded by Treasurer Boissiere, the Board approved payment of expenses listed on the Administrative Fund Requisition.

Chair Smith stated he would like to schedule a face to face meeting of the Board and the team members in the near future. He said he is interested in seeing a detailed presentation on scheduling from the Program Manager. Mr. Lane Sisung said he met recently with CSRS staff and they have been working on scheduling and re-aligning the budget with the 105 percent funding figure. Ms. Jan Jackson said she would work on scheduling the meeting.

On the motion of Secretary Dimos, seconded by Treasurer Boissiere, the meeting adjourned at 2:20 p.m.


Jimmy Dimos, Secretary

**LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL
FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY
\$64,570,000 REVENUE BONDS, SERIES 2009
(LCTCS FACILITIES CORPORATION PROJECT)
Closing Date: 10-1-2009**

CLOSING ORDER (COST OF ISSUANCE)

All items payable upon receipt of invoice per instructions on each invoice.

EXPENSE	PAYABLE TO	AMOUNT
Bond Counsel Fee	Jones Walker	94,320.00
Bankruptcy Counsel Fee	Jones Walker	7,500.00
Bond Counsel Expenses	Jones Walker	<u>6,000.00</u>
Subtotal	Jones Walker	107,820.00
Corporation Counsel Fee	Breazeale Sachse	99,500.00
Corporation Counsel Expenses	Breazeale Sachse	-
Subtotal	Breazeale Sachse	<u>99,500.00</u>
Underwriters Counsel Fee	Phelps Dunbar	70,000.00
Underwriters Counsel Expenses	Phelps Dunbar	<u>1,500.00</u>
Subtotal	Phelps Dunbar	71,500.00
Issuer's Counsel Fee	Boles Law Firm	20,000.00
Issuer's Counsel Expenses	Boles Law Firm	<u>1,500.00</u>
Subtotal	Boles Law Firm	21,500.00
Trustee Counsel Fee	Greg Pletsch	15,000.00
Trustee Counsel Expenses	Greg Pletsch	-
Subtotal	Greg Pletsch	<u>15,000.00</u>
Trustee Acceptance Fee	Bank of New York Trust Company	5,000.00
Trustee Construction Period Fee - Year 1	Bank of New York Trust Company	15,000.00
Trustee Annual Fee - Year 1	Bank of New York Trust Company	<u>4,000.00</u>
Subtotal	Bank of New York Trust Company	24,000.00
Financial Advisor Fee	Sisung Securities Corporation	106,540.50
Financial Advisor Expenses	Sisung Securities Corporation	<u>4,000.00</u>
Subtotal	Sisung Securities Corporation	110,540.50
Underwriter's Discount	RETAINED BY UNDERWRITER	338,992.50
Official Statement Printing	ImageMaster	11,000.00
Issuer Fee	LCDA	32,285.00
State Bond Commission Fee - Initial	Jones Walker	-
State Bond Commission Fee - Balance	State Bond Commission	<u>29,374.50</u>
State Bond Commission Fee	Total	29,374.50
Rating Agency Fees	Standard & Poors, Moody's	120,000.00
Bond Insurance	Assured Guaranty	628,871.34
Miscellaneous, Contingencies	REQUIRES ADDITIONAL APPROVAL	
TOTAL COSTS OF ISSUANCE		<u>1,610,383.84</u>

For questions please contact John Mayeaux at 504-913-4039

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ADMINISTRATIVE FUND REQUISITION

EXPENSE	PAYABLE TO	AMOUNT
Bond Counsel - Non Bond Work	Jones Walker	28,283.75
Corporation Counsel Non Bond Work	Breazeale Sachse	98,967.34
Project Manager Initial Fee	CSRS	200,000.00
<u>TOTAL REQUISITION</u>		<u>327,251.09</u>

For questions please contact John Mayeaux at 504-913-4039