

BUCKEYE TOBACCO SETTLEMENT FINANCING AUTHORITY

Minutes of July 2, 2007 Meeting

The Buckeye Tobacco Settlement Financing Authority (the Authority) held a meeting commencing at 2:00 p.m. on Monday, July 2, 2007, in the 35th Floor Conference Room A, Office of Budget and Management, James A. Rhodes State Office Tower, 30 East Broad Street, Columbus, Ohio, pursuant to notice of meeting given by the Secretary and Director of the Office of Budget and Management pursuant to section 183.52 of H.B. 119 which created the Authority and was signed into law June 30, 2007.

[Copies of the items marked * are attached hereto and made a part of these minutes.]

The Secretary called the meeting to order.

The Secretary reported that the written designations of Kent Markus for the Governor, Kurt Kauffman for the Secretary, and Chris Glaros for the Treasurer, pursuant to Section 183.52 of the Revised Code, were filed with the Secretary.

Pursuant to Section 183.52 of the Revised Code, Mr. Markus presided as Chair of the meeting. Upon roll call, the Secretary declared a quorum to be present. The following members and designee of the member of the Authority, eligible to vote at the meeting, were present during the meeting:

Kent Markus, Office of the Governor
Richard Cordray, Treasurer of State
J. Pari Sabety, Director of Budget and Management

Also present were Mike Deemer (assistant Attorney General to the Authority), Kurt Kauffman (Assistant Secretary), Jake Wozniak (Assistant Treasurer), David Ellis and Larry Scurlock (Office of Budget and Management); Rodney Nespeca and Todd Dieffenderfer (Office of the Treasurer of State); Brian Perera (Ohio Senate), Keith Dailey (Office of the Governor), Kip Wahlers and Dan Reinhard (Calfee, Halter & Griswold LLP), Stan Harris (National City Bank) and eight individuals from various news and media organizations.

The Secretary filed the certificate* of compliance with the public meeting notice provisions of Section 121.22 of the Revised Code.

Treasurer Cordray then moved, seconded by the Secretary, to adopt the Bylaws of the Authority addressing: designation of members; officers; meetings and notification of meetings; annual budget and financial statements; numbering of rules, regulations, and resolutions; and process for amendments. After general discussion, the motion was approved upon roll call as follows: Ayes – Cordray, Markus, Sabety; Nays - None. The Chair declared the motion passed.

Treasurer Cordray moved, seconded by the Chairman, to adopt the Open Meetings Rule of the Authority. After general discussion, the motion was approved as follows: Ayes – Cordray, Markus, Sabety; Nays – None. The Chair declared the motion passed.

Treasurer Cordray moved, seconded by the Secretary, to appoint Kurt Kauffman as the Assistant Secretary and Jake Wozniak as the Assistant Treasurer to the Authority. Upon roll call, the motion was approved as follows: Ayes – Cordray, Sabety, Markus; Nays – None. The Chair declared the motion passed.

The Chair then opened up discussion of the tentative schedule* for the selection of professional services. The Chair began by noting the goal of the Authority is to ensure an open and transparent process and that all actions of the Authority would be made to the best of its ability. The Secretary then reviewed the tentative schedule noting, among other things, that a draft of the request for proposals for financial advisory services would be distributed and reviewed at the next Authority meeting. Treasurer Cordray commented on a number of items including his desire for the Authority to obtain the lowest per-bond issuance cost of any new-money tobacco transaction completed to date and that market conditions necessitated that the Authority expedite the issuance process without sacrificing necessary deliberations. The Treasurer also noted that Authority should consider means of communicating with local school districts and county commissioners to which the Secretary responded that the School Facilities Commission was providing that link to local school districts. Further discussion related to the role of the Treasurer and Assistant Treasurer in service to the Authority.

The Secretary indicated the next meeting of the Authority would be July 11.

There being no further business, the meeting was adjourned.


Secretary



THE BUCKEYE TOBACCO SETTLEMENT FINANCING AUTHORITY

RICHARD CORDRAY, Treasurer
Treasurer of State

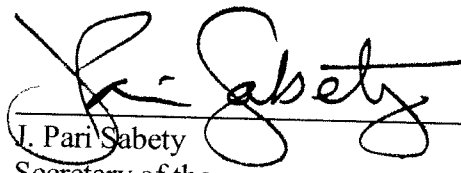
TED STRICKLAND, Chairman
Governor

J. PARI SABETY, Secretary
Director of Budget and Management

**CERTIFICATION REGARDING NOTIFICATION OF MEETING
TO THE PUBLIC AND NEWS MEDIA**

The undersigned, Secretary of the Buckeye Tobacco Settlement Financing Authority, hereby certifies that the notice of the time, place and purposes of the meeting of the Authority of July 2, 2007 at 2:00 p.m. was posted on June 29, 2007 and on June 30, 2007 in the State House press room, the Office of Budget and Management (34th Floor, 30 East Broad Street), and the Office of the Treasurer of State (9th Floor, 30 East Broad Street), all in accordance Section 121.22 of the Revised Code,

Dated: June 29, 2007



J. Pari Sabety
Secretary of the
Buckeye Tobacco Settlement Financing Authority

**** Public Meeting Notice ****

June 29, 2007

TO: Members of the Buckeye Tobacco Settlement Financing Authority
Ted Strickland, Governor
Richard Cordray, Treasurer of State

FROM: J. Pari Sabety, Director of the Office of Budget and Management

SUBJECT: **Meeting on Monday, July 2, 2007, at 2:00 p.m.
in the Conference Room A of the Office of Budget
and Management (35th Floor, Rhodes State Office Tower)**

In anticipation of the creation of the Buckeye Tobacco Settlement Financing Authority upon the Governor's expected signing of H.B. No. 119 on June 30, 2007, I am notifying you of the meeting of the Authority on July 2, 2007, at 2:00 p.m. in Conference Room A of the Office of Budget and Management (35th Floor, Rhodes State Office Tower, 30 East Broad Street, Columbus, Ohio). The Authority will: i) consider and act on adoption of its Bylaws and Open Meetings Rule; ii) receive designations of alternate members; and iii) consider and act on motions to appoint the Assistant Secretary and Assistant Treasurer. The Authority also may discuss a tentative schedule for the drafting, review, and release of a request for proposals for financial advisory services.

Enclosed are drafts of our Bylaws and an Open Meetings Rule, and a designation form. If you or members of your staff have any questions, please contact me or Kurt Kauffman of my staff at 466-0691.

cc. Marc Dann, Attorney General
Mike Deemer, Chief Deputy Attorney General for Governmental Affairs, Attorney General's office
Kurt Kauffman, OBM Debt Manager
Kent Markus, Chief Legal Counsel, Governor's Office
Jake Wozniak, Director of the Office of Debt Management, Treasurer's office

The Buckeye Tobacco Settlement Financing Authority

Draft Schedule -- 7/11/2007 (Subject to Change)



July 07							August 07						
M	T	W	T	F	S	S	M	T	W	T	F	S	S
						1			1	2	3	4	5
2	3	4	5	6	7	8	6	7	8	9	10	11	12
9	10	11	12	13	14	15	13	14	15	16	17	18	19
16	17	18	19	20	21	22	20	21	22	23	24	25	26
23	24	25	26	27	28	29	27	28	29	30	31		
30	31												

Day	Date	Time	Event	Action
Monday	7/02/07	2pm	Authority meeting	<ol style="list-style-type: none"> 1) Adoption of By-laws and Open Meetings Rule. 2) Designation of alternate members 3) Appointment of officers
Wednesday	7/11/07	3pm	Authority meeting	<ol style="list-style-type: none"> 1) Accept comments and release FA RFP 2) Review preliminary transaction schedule
Tuesday	7/17/07	1pm	FA proposals due	<ol style="list-style-type: none"> 1) Distribute FA proposals for review
Monday	7/23/07	10:30am	Authority meeting	<ol style="list-style-type: none"> 1) Select FA
Tuesday	7/31/07			<ol style="list-style-type: none"> 1) Distribute transaction and disclosure counsel draft RFP(s) for review 2) Distribute draft underwriter RFP for review
Thursday	8/2/07	2pm	Authority meeting	<ol style="list-style-type: none"> 1) Accept comments and release transaction and disclosure counsel RFP(s) 2) Accept comments and release underwriter RFP
Wednesday	8/08/07	1pm	Transaction counsel proposals due	<ol style="list-style-type: none"> 1) Distribute transaction and disclosure counsel proposals for review
Thursday	8/09/07	1pm	Underwriter proposals due	<ol style="list-style-type: none"> 1) Distribute underwriter proposals for review
Thursday	8/16/07	2pm	Authority meeting	<ol style="list-style-type: none"> 1) Select transaction and disclosure counsel
Tuesday	8/28/07	2pm	Authority meeting	<ol style="list-style-type: none"> 1) Select underwriting team 2) Discuss verification agent, trustee & printer bid process
Wednesday	8/29/07		Transaction kick-off meeting	<ol style="list-style-type: none"> 1) Engage consumption consultant (Global Insight) 2) Discuss document preparation and financing schedule and documents 3) Initial bond structuring discussion 4) Release verification agent, trustee & printer bids