

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
TEXAS PUBLIC FINANCE AUTHORITY
June 18, 2002**

The Board of Directors (the "Board") of the Texas Public Finance Authority (the "Authority") convened in open meeting, notice duly posted pursuant to law (a copy of which notice is attached hereto as Exhibit "A") at 2:00 P.M., Tuesday, June 18, 2002, William P. Clements Building, Room 103, Austin, Texas. Present were: Mr. Dan Serna, Board Member, Mr. David Kelly, Board Member, Ms. Helen Huey, Board Member and Cynthia Meyer, Secretary. Ms. Meyer participated by telephone conference call, pursuant to the authority of section 551.125, Texas Gov't Code.

Representing the Authority's staff were: Ms. Kimberly Edwards, Executive Director; Ms. Judith Porras, General Counsel; John Hernandez, Deputy Director; Ms. Paula Hatfield and Ms. Donna Richardson. Gabriela Klein was also in attendance.

Present in their designated capacities were the following persons: Dale Lehman and Clarence Watson, U.S. Bancorp Piper Jaffray; Andy Bynam, Salomon Smith Barney; Laura Powell, UBS PaineWebber; Greg Tijerina, Banc One Capital Markets; Mark C. Nitcholas, RBC Dain Rauscher; Keith Richard, Siebert Brandford Shank; Chris Pak, Bear Stearns; Curtis Flowers, Loop Capital Markets; Richard Donoghue, McCall Parkhurst & Horton; Robbi Jones, SBK Brooks; Chris Allen, PFM; Nora Chavez, AG Edwards; Mike Bartolotta, Catherine Brei-Miller, First Southwest Co. and Kay Watson, CKW Financial Group, Inc.

Item 1. Call to order.

Mr. Serna called the meeting to order at 2:08 P.M.

Item 2. Approval of minutes of the May 21, 2002 Board meeting.

Mr. Serna asked if there were any corrections or additions to the minutes of the Board

meeting of May 21, 2002. There being none, Ms. Meyer moved to approve the minutes of the Board Meeting as presented. Mr. Kelly seconded the motion. Ms. Huey abstained. The motion passed with 3 affirmative votes and one abstention.

Item 3. Select winning bid and adopt a resolution authorizing the issuance of approximately \$14,070,000 Stephen F. Austin Revenue Financing System Revenue Bonds, Series 2002, the execution of documents in connection therewith, and other related actions to effect the sale and delivery of the bonds and resolve related matters.

Ms. Edwards explained that bids for the \$14,070,000 Stephen F. Austin Revenue Financing System Revenue Bonds, Series 2002, were received at 11:00 a.m. through the Muni Auction electronic bidding system, which allows underwriters to submit bids through an Internet website. No bids were submitted via hand delivery. The bids were verified by the Authority's financial advisors, Mike Bartolotta and Catherine Brei-Miller of First Southwest Co. and Kay Watson, CKW Financial Group, Inc. Ms. Edwards read the six bids: Banc One Capital Markets, Inc., 4.5706%; Banc of America Securities, 4.5943%; Merrill Lynch, 4.6282%; SWS Securities, 4.6336%; Bear Stearns & Co. Inc., 4.6787%; USBancorp Piper Jaffray, 4.7204%.

Ms. Huey moved to accept Banc One Capital Markets, Inc.'s bid for the \$14,070,000 Stephen F. Austin Revenue Financing System Revenue Bonds, Series 2002. Ms. Meyer seconded. The motion passed unanimously.

Item 4. Select winning bid and adopt a resolution authorizing the issuance of \$8,965,000 Midwestern State University Revenue Financing System Revenue Bonds, Series 2002, the execution of documents in connection therewith, and other related actions to effect the sale and delivery of the bonds and resolve related matters.

Ms. Edwards explained that bids for the \$8,965,000 Midwestern State University Revenue Financing System Revenue Bonds, Series 2002, were received at 11:30 a.m. through Muni Auction electronic bidding system, which allows underwriters to submit bids through an Internet website. No bids were received via hand delivery. The bids were verified by the Authority's financial advisors, Mike Bartolotta and Catherine Brei-Miller of First Southwest Co. and Kay Watson, CKW Financial Group, Inc. Ms. Edwards read the six bids: Banc One Capital Markets, Inc., 4.5761%; USBancorp Piper Jaffray, 4.5853%, Banc of America Securities, 4.6318%; SWS Securities, 4.6373%; RBC Dain Rauscher, Inc., 4.6468%; and Bear Stearns & Co. Inc., 4.6713%.

Ms. Meyer moved to accept Banc One Capital Markets, Inc.'s bid for the \$8,965,000 Midwestern State University Revenue Financing System Revenue Bonds, Series 2002. Ms. Huey seconded. The motion passed unanimously.

Item 5. Other Business/Staff Report.

No other business was discussed.

Item 6. Adjourn.

The meeting adjourned at 2:33 P.M.

The foregoing minutes were approved and passed by the Board of Directors on July 30, 2002.

Cynthia L. Meyer
Secretary, Board of Directors

ATTACHMENT: Posting Notice - Exhibit "A"