

Meeting Minutes
Special Meeting of the Board of Directors
Of the
Central Texas Regional Mobility Authority (CTRMA)

Monday, September 15, 2003

Members present: Bob Tesch (Chairman), Lowell Lebermann (Vice-Chairman), Bob Bennett, Mike Robinson and Jim Mills. Also present on behalf of the CTRMA were Brian Cassidy and Mike Weaver.

I. Welcome and Opening Remarks

Chairman Tesch called the special meeting to order at approximately 8:30 a.m. Mr. Weaver informed the CTRMA board that the sole purpose of the meeting was to interview investment banking firms for Senior and possibly Co-Senior Manager roles for the U.S. 183-A financing. They were going to hear presentations from five different firms.

II. Briefing from financial advisor and staff on the roles on investment bankers in bond financing

On behalf of the CTRMA's financial advisor, Ladd Patillo briefed the Board on the role of investment bankers in revenue bond financings. He explained that the bankers would purchase or underwrite bonds directly from the Authority and would sell the bonds to the investing public, be they institutional investors or retail investors. The underwriters can buy the bonds on a negotiated basis or in a competitive sale.

Mr. Patillo discussed syndicates, which are multiple firms given an opportunity to purchase a portion of a bond issue in order to spread the risk. A syndicate also provides a diverse group of underwriters that can reach all areas of the market, which helps the marketability of the bonds. He reported that in order for the syndicate to spread risk, each has to commit capital in order to buy the bonds. They have to have adequate capital to do so, even on competitive deals. In competitive sales, the underwriters group together and form syndicates on their own. In a negotiated deal, the board selects the syndicate.

Mr. Patillo explained that the Senior Manager underwriter will provide a link between the CTRMA, the other bankers in the group, and to the investing public. They provide considerable input and take the risk for selling bonds.

Members of the syndicate include the Senior Manager, who controls the syndicate and allocates securities during the pricing and the offering of securities. This is based on the agreement that syndicate members will have among themselves. The phrase "co-manager" is applied to everyone else in the syndicate.

III. Interviews of investment banking firms for Senior and possibly Co-Senior Manager roles or U.S. 183-A financing.

The Board heard presentations from each of the following firms regarding their capabilities and approach to the US 183-A project:

- A. UBS Financial Services
- B. Morgan Stanley
- C. JP Morgan
- D. Citigroup
- E. Bear Stearns

The Board and staff asked questions of each of the firms. Each presentation and discussion lasted approximately 50 minutes.

IV. Executive Session Pursuant to Government Code, Chapter 551.

At 3:13 p.m., Chairman Tesch announced that the CTRMA Board of Directors would convene into executive session pursuant to section 551.074 of the Texas Government Code for the purpose of discussing personnel matters relating to the position of executive director.

The Board reconvened into an open meeting following deliberations in executive session pursuant to section 551.074 of the Texas Government Code. Chairman Tesch reported that, while in executive session, the Board deliberated concerning personnel matters related to executive director position and that the Board took no action.

V. Adjourn Meeting.

Mr. Lebermann moved to adjourn the meeting; Mr. Robinson seconded the motion. The Board voted unanimously to adjourn the meeting.