

RESOLUTION TAKING AFFIRMATIVE OFFICIAL ACTION TOWARD  
THE ISSUANCE OF OBLIGATIONS TO PROVIDE QUALIFIED  
MASS COMMUTING VEHICLES (NEW AND REHABILITATED BUSES);  
PRESCRIBING THE FORM AND SUBSTANCE OF AN AGREEMENT  
TO ISSUE OBLIGATIONS; AUTHORIZING THE EXECUTION  
OF SUCH AGREEMENT WITH FIRST CITY LEASING CORPORATION; AND  
CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Metropolitan Transit Authority (of Harris County, Texas) (the "Issuer") is a public body corporate and politic, duly created, confirmed, and existing under Article 1118x, Vernon's Annotated Texas Civil Statutes, as amended (the "Metro Act"), and is authorized thereby to sell, lease, or dispose of, and to acquire by grant, purchase, lease, or otherwise, personal property, including buses, and by the Public Property Finance Act, Article 2368a.2, Vernon's Texas Civil Statutes, as amended (the "Finance Act"), is further authorized to execute, perform, and make payments under agreements entered into for the use, acquisition, or purchase of personal property, including buses;

WHEREAS, the Issuer desires to enter into a "safe harbor lease agreement" with First City Leasing Corporation, a Delaware corporation, to provide funds to defray all or part of the cost of providing certain qualified mass commuting vehicles, as described in Exhibit A attached hereto (the "Vehicles"), pursuant to the authority of the Metro Act, the Finance Act, and Sections 103(b)(4)(I), 103(b)(9), and 168(f)(8)(D) of the Internal Revenue Code of 1954, as amended (the "Code") and the regulations promulgated thereunder;

WHEREAS, the Issuer desires to prescribe the general form and substance of an Agreement to Issue Obligations, as set out in Exhibit B attached hereto (the "Agreement"), between the Issuer and First City Leasing Corporation (the "Lessor"), which is a corporation (other than a Subchapter S corporation or a personal holding company), a partnership composed of such corporations, or a grantor trust with a grantor and beneficiaries that are such corporations or a partnership composed of such corporations and which shall be designated by the Issuer at a later time;

WHEREAS, the Issuer desires to adopt a bond resolution with respect to the issuance of obligations or take some other similar official action toward the issuance of the obligations prior to the commencement of acquisition of the Vehicles; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE METROPOLITAN TRANSIT AUTHORITY (OF HARRIS COUNTY, TEXAS), THAT:

Section 1: The Issuer hereby authorizes and agrees that it will issue certain lease obligations (the "Obligations") pursuant to an Equipment Lease-Purchase Agreement between the Issuer and Western Bank, a Texas banking corporation, in an aggregate principal amount not to exceed \$500,000, for the purpose of paying part of the costs of providing the Vehicles, together with all costs of authorization, sale, and issuance of the Obligations.

Section 2: The proceeds of the Obligations will be used to provide the Vehicles pursuant to the provisions of the Metro Act, the Finance Act, and the Code.

Section 3: The Issuer will enter into a "safe harbor lease agreement" with the Lessor for the transfer of the accelerated cost recovery system benefits of the Vehicles to the Lessor.

Section 4: The Board hereby finds, determines, and declares that the Vehicles are required for the Issuer's rapid transit system or systems.

Section 5: The Agreement by and between the Issuer and the Lessor in substance and in form substantially as set out in Exhibit B hereof, which is made a part hereof for all purposes, is hereby approved, and the Chairman and Secretary of the Board are hereby authorized to execute and attest such Agreement for and on behalf of the Issuer.

Section 6: This Resolution, together with the Agreement, shall be deemed and construed as a resolution authorizing the issuance of the Obligations or some other similar official action toward the issuance of the Obligations within the meaning of Section 1.103-8(a)(5) of the Treasury regulations issued pursuant to Section 103(b) of the Internal Revenue Code of 1954, as amended.

EXHIBIT A  
to  
Inducement Resolution  
adopted December 31, 1981

The Vehicles, as defined in the resolution to which this Exhibit A is attached, consist of the following:

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RESOLUTION AUTHORIZING EXECUTION AND DELIVERY  
OF  
BILL OF SALE  
AND  
EQUIPMENT LEASE - PURCHASE AGREEMENT  
AND  
DOCUMENTS RELATING THERETO

WHEREAS, Section 6(d) of Article 1118x, Vernon's Texas Civil Statutes, as amended (the "Transit Act") authorizes Metropolitan Transit Authority (the "Authority") to sell or dispose of property of every kind and nature whatsoever necessary, convenient or useful for the full exercise of any of its powers; and

WHEREAS, Section 6(d) of the Transit Act authorizes the Authority to acquire by lease personal property of every kind and nature whatsoever necessary, convenient or useful for the full exercise of any of its powers; and

WHEREAS, Section 6(1) of the Transit Act authorizes the Authority to make leases with private corporations and to acquire property under conditional sales contracts, leases, or any other form of contract; and

WHEREAS, Article 2368a.2, Vernon's Texas Civil Statutes, as amended (the "Finance Act") authorizes the Board of the Authority to authorize the execution, performance, and making of payments under contracts with any person for the use, acquisition, or purchase of personal property, equipment, or an interest therein, deemed by the Board of the Authority to be necessary, useful, or appropriate to one or more purposes of the Authority and, subject only to applicable constitutional restrictions, to obligate taxes or revenues for the full term of an agreement entered into pursuant to the Finance Act for the payment of such agreement; and

WHEREAS, Section 9 of the Finance Act provides that the Finance Act is wholly sufficient authority within itself for the entering into of agreements under the Finance Act and the performance of other acts and procedures authorized by the Finance Act and that when agreements pursuant to the Finance Act are entered into, then to the extent of conflict or inconsistency between any of the provisions of the Finance Act and any provisions of any other law, the provisions of the Finance Act prevail and control,

except that any governmental agency may use the provisions of any other law not in conflict with the provisions of the Finance Act to the extent convenient or necessary to carry out any power or authority express or implied, granted by the Finance Act and that the Finance Act shall be liberally construed to effectuate its purpose;

WHEREAS, the Authority has previously acquired eight (8) General Motors Corporation RTS-04 "Advance Design Buses" and caused to be rehabilitated by General Motors Corporation eighty-seven (87) "New Look Buses," which buses would be necessary, convenient or useful for the full exercise of the Authority's powers;

WHEREAS, the Board of the Authority has determined that it would be necessary, convenient, or useful for the full exercise of the powers of the Authority to transfer title to those buses to which the Authority obtained title or caused rehabilitation as an integral part of the lease financing arrangement and thereafter make a lease contract to acquire the buses by lease, with an option to purchase, and to make payments under such lease contract for the acquisition by lease of such buses; and

WHEREAS, the Board of the Authority has examined a proposed form of Bill of Sale from the Authority, as Grantor, to the Western Bank, of Houston, Texas (the "Bank"), as Grantee, disposing of and transferring title to those buses to which the Authority obtained title or caused rehabilitation as an integral part of the lease financing arrangement, and the Board finds the form and substance of such document is satisfactory in that it is in the best interest of the public and the Authority and assists in carrying out the public purpose of the Authority and the Transit Act to authorize the execution and delivery of such Bill of Sale; and

WHEREAS, the Board of the Authority has examined a proposed form of Equipment Lease - Purchase Agreement between the Authority, as Lessee, and the Bank, as Lessor, and the Board finds the form and substance of such document is satisfactory and that it is in the best interest of the public and the Authority and assists in carrying out the public purpose of the Authority and the Transit Act and the Finance Act to authorize the execution and delivery of such Equipment Lease - Purchase Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF METROPOLITAN TRANSIT AUTHORITY, (OF HARRIS COUNTY, TEXAS), THAT:

Section 1. Bill of Sale. The Board hereby authorizes and directs the disposal of and the transfer of title to the buses identified in the Bill of Sale as necessary, convenient, or useful for the full exercise of the powers of the Authority in accordance with a Bill of Sale substantially in the form of the Bill of Sale dated December 31, 1981, by the Authority in favor of the Bank attached to this Resolution as Exhibit "A", the form, terms, and provisions of such Bill of Sale being hereby authorized and approved, and the Chairman or Vice Chairman of the Board is hereby authorized and directed to execute and deliver such Bill of Sale on behalf of the Authority and the Secretary of the Board is hereby authorized and directed to attest thereto and affix the Board's seal.

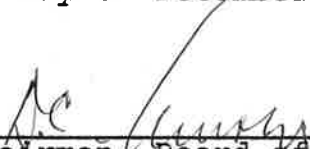
Section 2. Equipment Lease - Purchase Agreement. The Board hereby authorizes and directs the making of a lease contract with the Bank for the acquisition by the Authority by lease of the buses, the title to which is transferred to the Bank in accordance with the Bill of Sale, as necessary, convenient, or useful for the full exercise of the powers of the Authority in accordance with the Equipment Lease - Purchase Agreement substantially in the form of Equipment Lease - Purchase Agreement, dated December 31, 1981, by and between the Authority, as Lessee and the Bank, as Lessor, attached to this Resolution as Exhibit "B", the form, terms, and provisions of such Equipment Lease - Purchase Agreement being hereby authorized and approved, and the Chairman or Vice Chairman of the Board is hereby authorized and directed to execute and deliver such Equipment Lease - Purchase Agreement on behalf of the Authority and the Secretary of the Board is hereby authorized and directed to attest thereto and affix the Board's seal.

Section 3. Authority of Officers; etc. The officers, employees and agents of the Authority, and each of them, shall be and each is expressly authorized, empowered, and directed from time to time and at any time to do and perform all acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Authority all certificates, instruments, and other papers whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution and of the Bill of Sale hereby authorized and of the Equipment Lease - Purchase Agreement hereby authorized, such determination to be conclusively evidenced by the performance of such acts and things in the execution of any such certificate, instrument or other paper.

Section 4. Resolution is Contract. In consideration of the execution and delivery of the Equipment Lease on behalf of the Bank, which Equipment Lease is to be executed and delivered on behalf of the Authority hereunder, the provisions of this Resolution shall be deemed to be and shall constitute contracts between the Authority and the Bank (and its assignees) from time to time under the Equipment Lease; and the covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the equal benefit, protection, and security of the Bank (and its assignees).

Section 5. Notice of Meeting. The Board officially finds, determines, recites, and declares that written notice of the date, hour, place, and subject of the meeting at which this Resolution is adopted was posted in a place convenient to the public and readily accessible to the general public at all times on a bulletin board at the administrative office of the Authority for at least two (2) hours preceding the scheduled time of the meeting, that a copy of such written notice was furnished to the County Clerk of Harris County, Texas in sufficient time for posting for a least two (2) hours preceding the scheduled time of the meeting on a bulletin board located at a place convenient to the public in the Harris County Courthouse, and that a copy of such written notice was posted in a place convenient to the public and readily accessible to the general public at all times on a bulletin board located in the Harris County Courthouse for the time required by law at all times during which said Resolution and the subject matter thereof was discussed, considered, and formally acted upon.

PASSED AND ADOPTED this 31<sup>st</sup> day of December, 1981.

  
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Chairman, Board of the  
Metropolitan Transit Authority  
(of Harris County, Texas)

ATTEST:

  
\_\_\_\_\_  
Secretary, Board of the  
Metropolitan Transit Authority  
(of Harris County, Texas)

(SEAL)

APPROVED AS TO SUBSTANCE:

*for* *David A. Bojgs*  
S. A. CARIA,  
Acting Executive Director

APPROVED AS TO FORM:

*Dennis C. Gardner for*  
JONATHAN DAY, Legal Counsel

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RESOLUTION APPROVING SAFE HARBOR LEASE AGREEMENT  
WITH FIRST CITY LEASING CORPORATION; PRESCRIBING  
THE FORM AND SUBSTANCE OF SUCH AGREEMENT;  
AUTHORIZING EXECUTION AND DELIVERY OF SUCH AGREEMENT;  
AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

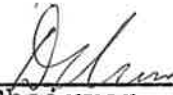
WHEREAS, the Metropolitan Transit Authority (of Harris County, Texas) (the "Authority") has determined that is in the best interest of Metro and necessary, convenient, or useful for the full exercise of its powers to approve the Agreement, to be dated December 31, 1981, between the Authority and First City Leasing Corporation, a Delaware corporation;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE METROPOLITAN TRANSIT AUTHORITY (OF HARRIS COUNTY, TEXAS), THAT:


Section 1. The Board hereby approves the Agreement in the form and substance attached hereto as Exhibit A.

Section 2. The Chairman and Secretary of the Board are hereby authorized, to execute and attest the Agreement for and on behalf of the Authority and, together with the employees and other agents of the Authority, to take such other actions as are necessary or convenient for the completion of the transactions contemplated thereby.

PASSED AND ADOPTED this 31st day of December, 1981.

  
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Chairman, Board of the  
Metropolitan Transit Authority  
(of Harris County, Texas)

ATTEST:

  
\_\_\_\_\_  
Secretary, Board of the  
Metropolitan Transit Authority  
(of Harris County, Texas)

(SEAL)

APPROVED AS TO SUBSTANCE:

*for* *Daniel B. Boggs*  
S. A. CARIA  
Acting Executive Director

APPROVED AS TO FORM:

*Dennis C. Gardner for*  
JONATHAN DAY, Legal Counsel

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