

ORDINANCE NO. 004-17

ORDINANCE SUPPLEMENTING AND  
AMENDING ORDINANCE 002-85 TO  
AUTHORIZE AN EXTENSION OF TIME  
TO COMMENCE THE TERM OF  
CERTAIN LEVERAGED LEASE  
AGREEMENTS ON NABI BUSES,  
INCREASE THE AUTHORIZED  
OFFICERS, AND RE-ALLOCATE THE  
NPV FOR SUBSEQUENT CLOSINGS

WHEREAS, The Chicago Transit Board ("Board") of the Chicago Transit Authority ("Authority"), by Ordinance No. 002-85 (capitalized terms not otherwise defined herein, shall be as defined in Ordinance 002-85), authorized the domestic lease/ leaseback of 484 low floor Nova Bus Corp ("Nova") LFS model buses and 226 North American Bus Industries ("NABI") articulated low-floor buses in one or more transactions (each a "Tranche"); and

WHEREAS, Ordinance 002-85 provides, in pertinent part, that the term of the Lease Agreement and Sub-Lease Agreement for Tranches, after the closing of the first Tranche, shall begin no later than March 1, 2004; and

WHEREAS, The Authority has closed two Tranches of the authorized lease/ leaseback financings of buses under Ordinance 002-85, the first on July 25, 2002, for 411 Nova buses, and the second on September 23, 2003, for 73 Nova buses; and

WHEREAS, The Authority has not included any NABI buses in the Tranches closed to date, but has identified an equity investor for the domestic leverage lease financing of 226 NABI buses; and

WHEREAS, The Authority received the consent of the Federal Transit Administration ("FTA") to enter into a domestic lease/leaseback financing on the NABI buses during 2004 as part of the FTA's September 23, 2003, consent to the Authority to enter into a United States ("U.S.") leverage lease transaction (Lease to Service Contract) in two Tranches for 229 buses (73 Nova buses and 226 NABI buses); and

WHEREAS, To allow staff to close on a the leverage lease financing of NABI buses, staff seeks the amendment of Ordinance 002-85 to extend the date by which the term of the Lease and Sub-Lease Agreement must begin for a subsequent Tranche of the U.S. lease/leaseback financing (covering NABI buses) from March 1, 2004, to December 31, 2004; and

WHEREAS, staff recommends that the Board ratify the Net Present Value ("NPV") Benefit derived from the September 23, 2003, closing of the lease/leaseback

ORDINANCE NO. 004-17  
(Continued) -2

financing and allocate, on a stand-alone basis, the minimum NPV Benefit to be derived from any subsequent closing on the U.S. leveraged lease of the NABI buses; and

WHEREAS, Staff further recommends that the Board authorize an Authorized Officer in addition to the Authorized Officers defined in Ordinance 002-85; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD  
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. The term of the Lease Agreement and of the Sub-Lease Agreement for any subsequent Tranche of the U.S. lease/leaseback financing of buses shall begin on the date specified in the Determination, provided that such date(s) shall be no later than December 31, 2004.

SECTION 2. The Chairman of the Transit Board, the Chairman of the Committee on Finance, Audit and Budget of the Transit Board, the President of the Authority, and the Senior Vice President/Treasurer of the Authority (collectively, the "Authorized Officers") are each authorized to execute and deliver one or more Transaction Documents for any leveraged lease financing of NABI buses closed after the effective date of this Ordinance, the execution of all such Transaction Documents to constitute conclusive evidence of such Authorized Officers' approval and the approval of the Board of Directors of the Authority.

SECTION 3. The NPV Benefit of approximately three hundred twelve thousand dollars (\$312,000) derived from the closing of the September 23, 2003, Tranche of the U.S. leveraged lease financing for 73 Nova buses is hereby ratified, and the NPV Benefit to be derived from closing the subsequent Tranche of a leveraged lease financing for up to 226 NABI buses shall be no less than one million two hundred thousand dollars (\$1,200,000), before payment of the Arranger's fees.

SECTION 4. During 2004, the Authority, through its Authorized Officers (as defined in Ordinance 002-85 as amended hereby), is authorized to identify, arrange, and negotiate, as well as execute and deliver, any Transaction Documents required for a leveraged lease for up to 226 NABI buses, provided that, such leveraged lease be with such parties and on such terms and conditions as determined by an Authorized Officer to be in the best interest of the Authority, taking into account then-current market conditions. The execution of all such Transaction Documents shall constitute conclusive evidence of such Authorized Officers' approval and the approval of the Board of Directors. Following closing of a leveraged lease transaction, the Authorized

ORDINANCE NO. 004-17  
(Continued) -3

Officers are each also authorized to execute and cause to be filed with the Assistant Secretary of the Board a written Determination evidencing the terms and conditions of such leveraged lease transaction.

SECTION 5. Except, as specifically set forth above, all other provisions of Ordinance 002-85 shall remain in full force and effect.

SECTION 6. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

---

Chairman

January 28, 2004

---

Assistant Secretary

January 28, 2004