

ORDINANCE NO. 007-158

AN ORDINANCE AUTHORIZING
EXPLORATION AND NEGOTIATION OF
FINANCING ALTERNATIVES IN
CONNECTION WITH THE PURCHASE OF
NEW FLYER BUSES

WHEREAS, King County, Washington, a home rule charter county and political subdivision of the State of Washington ("King County"), and New Flyer of America, Inc., a North Dakota corporation ("New Flyer"), entered into a contract identified as MB 06-2 for "Manufacture and Delivery of 60-Foot Heavy-Duty Articulated Low-Floor Diesel-Fueled Hybrid and Standard Drive Transit Buses" ("Bus Contract"), and

WHEREAS, Section B2.19.01 of the Bus Contract provides that King County "may assign part or all of any option quantity of buses to another transit property or governmental entity..."; and

WHEREAS, King County has tendered a Bus Options Assignment Agreement to the Authority, under which King County would assign 150 of its 200 option quantity buses to the Authority; and

WHEREAS, The Bus Options Assignment Agreement would grant the Authority up to 90 days to exercise the options rights after which the unexercised options will revert back to the King County; and

WHEREAS, It may be advantageous for the Authority to explore financing alternatives that may be available to finance the acquisition of the buses; now, therefore:

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

SECTION 1. That the President and the Treasurer are hereby authorized to request proposals from prospective financing firms regarding financing opportunities that may be advantageous to the Authority in connection with the Authority's purchase of 150 New Flyer low-floor, articulated, hybrid drive buses.

SECTION 2. That the President and the Treasurer are authorized to negotiate the terms of the transaction with the firms that offer the most advantageous financial terms to the Authority; terms not to exceed 200 basis points over LIBOR, and not to exceed 125 million dollars including all costs of issuance, and terms that require that unencumbered title to all vehicles reverts to the Chicago Transit Authority upon payment of the final installment.

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SECTION 3. That the President and Treasurer are hereby authorized to approve offering circulars, official statements, and other documents in connection with any transaction.

SECTION 4. That the Chairman of the Board has the authority to approve the financing terms negotiated and execute all documents necessary to obtain financing.

SECTION 5. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

December 12, 2007

Assistant Secretary

December 12, 2007