

A RESOLUTION

APPROVING AND ADOPTING THE BUDGETS FOR FISCAL YEAR 2009; AND MAKING FINDINGS AND PROVISIONS RELATIVE TO THE SUBJECT

WHEREAS, Section 451.102(a), Texas Transportation Code, requires that the Board of Directors adopt an annual budget specifying major expenditures by type and amount prior to the expenditures of any funds in the budget year; and

WHEREAS, Section 451.102(b), Texas Transportation Code, requires that METRO make the proposed budgets available for public review and hold a public hearing prior to adoption of proposed budget; and

WHEREAS, in compliance with the cited statutory requirements, METRO has released proposed budgets for fiscal year 2009 and has held several public hearings regarding these proposed budgets; and

WHEREAS, the Board of Directors has reviewed the proposed budgets for fiscal year 2009 and has considered the public comments thereon; and

WHEREAS, the proposed budget and business plan for fiscal year 2009 include a base fare restructure;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN TRANSIT AUTHORITY THAT:

Section 1. The Board of Directors hereby finds and declares that all prerequisites required by law for the consideration and adoption of the budgets for fiscal year 2009 have been satisfied.

Section 2. The Board of Directors hereby approves and adopts an Operating Budget for fiscal year 2009 totaling \$330,000.000.

Section 3. The Board of Directors hereby approves and adopts a Capital Budget for fiscal year 2009 totaling \$520,556,000.

Section 4. The Board of Directors hereby approves and adopts a General Mobility budget for fiscal year 2009 totaling \$163,758,000.

Section 5. The Board of Directors hereby approves and adopts a Debt Service Budget of \$10,559,000.

Section 6. The Board of Directors hereby approves a review, restructure, and modification of schedules and service plans.

Section 7. The Board of Directors hereby approves, after due consideration of public comment, incremental adjustments to the base fare as follows:

	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Local/METRO Rail	\$1.25	\$1.30	\$1.35
Park & Ride Zone 1	\$2.00	\$2.10	\$2.20
Park & Ride Zone 2	\$3.25	\$3.40	\$3.55
Park & Ride Zone 3	\$3.75	\$3.90	\$4.10
Park & Ride Zone 4	\$4.50	\$4.70	\$4.90


Section 8. This resolution is effective immediately upon passage.

PASSED this 16<sup>th</sup> day of October, 2008  
APPROVED this 16<sup>th</sup> day of October, 2008

ATTEST:



  
Assistant Secretary

  
David S. Wolff  
Chairman

A RESOLUTION

APPROVING THE ISSUANCE OF CERTIFICATES OF PARTICIPATION SERIES 2008B; AMENDING THE MASTER LEASE PURCHASE AGREEMENT FOR THE MASTER LEASE PURCHASE FINANCING PROGRAM; AND APPROVING OTHER MATTERS INCIDENT AND RELATING THERETO

WHEREAS, the Board of Directors (the "Board") of the Metropolitan Transit Authority of Harris County, Texas (the "Authority") has heretofore established a lease/purchase program with First Southwest Leasing Company, as lessor (the "FSW Leasing"), to finance the acquisition of certain equipment (the "Equipment"), including buses, bus rapid transit vehicles, and rail rapid transit vehicles (the "Program");

WHEREAS, in order to implement the Program, the Authority has previously entered into a Master Lease Purchase Agreement, dated June 15, 2008 (the "Master Lease Agreement") with FSW Leasing whereby the Authority, as lessee, will make lease payments (the "Lease Payments") to FSW Leasing and FSW Leasing will lease and sell the Equipment to the Authority pursuant to Appendices to the Master Lease Agreement (the Master Lease Agreement together with such Appendices are, collectively, the "Lease Agreement");

WHEREAS, FSW Leasing has previously entered into a Master Trust Agreement, dated June 15, 2008 (the "Master Trust Agreement") with Wells Fargo Bank, National Association ("Trustee") whereby the Trustee will sell multiple series of Lease Revenue Certificates of Participation (the "Certificates"), each evidencing a proportionate ownership interest in the stream of Lease Payments set out in a particular Appendix, pursuant to multiple Supplemental Trust Agreements (the Master Trust Agreement together with such Supplemental Trust Agreements are, collectively, the "Trust Agreement");

WHEREAS, in connection with the issuance of Certificates, FSW Leasing will assign to the Trustee pursuant to related Absolute Assignment Agreements (the "Assignment Agreements") all of its rights, title, and interest in the Lease Agreement, its rights to receive Lease Payments thereunder and its security interest in the Equipment;

WHEREAS, the Authority wishes to initiate the acquisition of 60 buses pursuant to the Program by execution and delivery of Appendix 2 to the above as Lease Agreement ("Appendix 2");

WHEREAS, the Board has determined that it is in the best interest of the Authority to amend the Lease Agreement with FSW Leasing, as provided in the First Amendment to Master Lease Purchase Agreement attached to this Resolution as Exhibit A;

WHEREAS, the Board now desires to (i) approve the execution and delivery of Appendix 2 and the First Amendment to Lease Agreement and acknowledge that conforming amendments will be made to the Trust Agreement, (ii) acknowledge the issuance of Lease Revenue Certificates of Participation, Series 2008B (the "Series 2008B Certificates") by the Trustee pursuant to the Trust Agreement and approve distribution of an Offering Memorandum in connection with the public offering for sale of the Series 2008B Certificates, and (iii) approve the execution and delivery of any other certificates and instruments necessary or appropriate to consummate the transactions contemplated hereby; and

WHEREAS, as required by law, the meeting at which this Resolution is considered open to the public, and the public notice of the time, place, and purpose of said meeting was given pursuant to the Texas Government Code, Chapter 551, as amended.

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

Section 1. Approval of Appendix 2. The Board hereby approves the execution and delivery of Appendix 2 for the purpose of financing the acquisition of 60 buses.

Section 2. Sale and Delivery of Certificates; Offering Memorandum. The Board hereby approves the offering and sale of the Series 2008B Certificates and the distribution of an Offering Memorandum in connection therewith.

Section 3. Amendments to Master Lease Agreement and Master Trust Agreement. The Board hereby approves the execution and delivery of the First Amendment to Master Lease Purchase Agreement in substantially the form attached hereto as Exhibit A. The Board hereby acknowledges that conforming amendments will be made to the Master Trust Agreement by FSW Leasing and the Trustee.

Section 4. Further Proceedings. The Chairman, Vice Chairman and Secretary of the Board and the President/Chief Executive Officer and Chief Financial Officer are hereby authorized, empowered and directed to do all such acts and things and to execute such documents on behalf of the Authority and to do any and all things as may be necessary or desirable to carry out and comply with the provisions of this Resolution.

Section 5. Engagement of Professionals. The Board hereby confirms the engagement of Andrews Kurth LLP as Bond Counsel ("Bond Counsel") and First Southwest Company and Siebert Brandford Shank & Co, LLC as Co-Financial Advisors for the Authority in accordance with the terms of such firms' existing engagements with the Authority. The Board hereby approves the engagement of RBC Capital Markets and Estrada Hinojosa as underwriters for the sale of the Series 2008B Certificates.



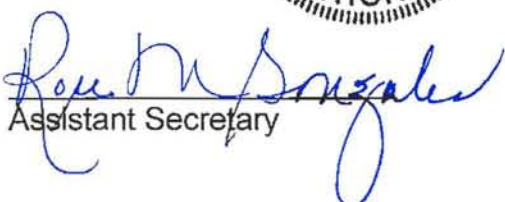
Section 6. Repealer. All orders or resolutions or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters contained herein.

Section 7. Severability. If any provisions of this Resolution or the application thereof to any circumstance shall be held to be invalid, the remainder of this Resolution and the application thereof to other circumstances shall, nevertheless, be valid and the Board hereby declares that this Resolution would have been enacted without such invalid provision.


Section 8. This resolution is effective immediately upon passage.

ATTEST:



  
Assistant Secretary

PASSED this 16th day of October, 2008  
APPROVED this 16th day of October, 2008

  
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David S. Wolff  
Chairman

A RESOLUTION

AUTHORIZING AND DIRECTING THE PRESIDENT & CEO TO EXECUTE AND DELIVER AN INTERLOCAL AGREEMENT WITH HARRIS COUNTY COMMUNITY SERVICES DEPARTMENT FOR PARK & RIDE SERVICE FROM PASADENA TOWN SQUARE MALL; AND MAKING FINDINGS AND PROVISIONS RELATIVE TO THE SUBJECT

WHEREAS, that section of Harris County, in the City of Pasadena lies outside the jurisdictional boundaries and service area of METRO; and

WHEREAS, METRO, under the provision of Section 451.056 of the Texas Transportation Code, may contract with a municipality, county, or other political subdivision to provide public transportation services outside of its jurisdictional boundaries; and

WHEREAS, METRO, and Harris County find that the operation of Park & Ride services from Pasadena Town Square Mall, and within the vicinity of the City of Pasadena, to Houston's downtown business district will enhance regional mobility and support transit services within the County;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN TRANSIT AUTHORITY THAT:

Section 1. The President & CEO is hereby authorized and directed to execute and deliver an interlocal agreement with Harris County to provide Park & Ride Service from the Pasadena Town Square Mall within the vicinity of the City of Pasadena, Texas, to Houston's downtown business district.

Section 2. This resolution is effective immediately upon passage.

ATTEST:



*Rose M. Gonzalez*  
Assistant Secretary

PASSED this 16th day of October, 2008  
APPROVED this 16th day of October, 2008

*David S. Wolff*  
David S. Wolff  
Chairman

A RESOLUTION

AUTHORIZING AND DIRECTING THE PRESIDENT & CEO TO EXECUTE AND DELIVER A CONTRACT WITH FM GLOBAL FOR THE PURCHASE OF BUILDER'S RISK INSURANCE FOR THE METRO SOLUTIONS PROGRAM; AND MAKING FINDINGS AND PROVISIONS RELATIVE TO THE SUBJECT

WHEREAS, METRO requires a Builder's Risk Insurance Policy to provide insurance coverage for four light rail corridors, an intermodal facility and maintenance, storage and wash facilities for the Metro Solutions Program; and

WHEREAS, METRO evaluated various proposals from various interested markets; and

WHEREAS, METRO and its broker of record negotiated best and final proposals with each carrier; and

WHEREAS, The Builder's Risk Insurance Policy offered by FM Global was determined to be the most cost effective and provided the best value for METRO's financing and exposure needs.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN TRANSIT AUTHORITY THAT:

Section 1. The President & CEO is hereby authorized and directed to execute and deliver a contract with FM Global for a Builder's Risk Insurance policy for an amount not to exceed \$5,884,365.


Section 2. This resolution is effective immediately upon passage.

ATTEST:

  
Assistant Secretary



PASSED this 16th day of October, 2008  
APPROVED this 16th day of October, 2008

  
David S. Wolff  
Chairman



A RESOLUTION

AUTHORIZING AND DIRECTING THE PRESIDENT & CEO TO EXECUTE AND DELIVER A CONTRACT WITH CLYDE GARRISON FOR CONSULTANT SERVICES RELATED TO THE METRO SOLUTIONS PROJECT; AND MAKING FINDINGS AND PROVISIONS RELATIVE TO THE SUBJECT

WHEREAS, METRO is in need of consultant services for the METRO Solutions Project; and

WHEREAS, Clyde Garrison brings substantive unique skills and experiences to the METRO Solutions Project; and

WHEREAS, METRO desires to enter into a Requirements Contract with Clyde Garrison for an amount not to exceed \$159, 417; and

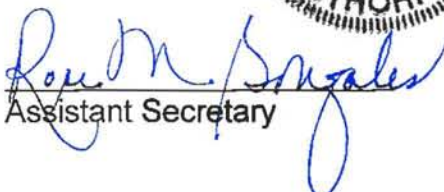
WHEREAS, this contract will include amounts for the continuation of services from the previous contract;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN TRANSIT AUTHORITY THAT:

Section 1. The President & CEO is hereby authorized and directed to execute and deliver a contract with Clyde Garrison for consultant services related to the METRO Solutions Project.


Section 2. This resolution is effective immediately upon passage.

ATTEST:

  
Assistant Secretary



PASSED this 16<sup>th</sup> day of October, 2008  
APPROVED this 16<sup>th</sup> day of October, 2008

  
David S. Wolff  
Chairman

A RESOLUTION

AUTHORIZING AND DIRECTING THE PRESIDENT & CEO TO EXECUTE AND DELIVER A CONTRACT WITH DHIREN K. CHAKRABORTY FOR CONSULTANT SERVICES RELATED TO THE METRO SOLUTIONS PROJECT; AND MAKING FINDINGS AND PROVISIONS RELATIVE TO THE SUBJECT

WHEREAS, METRO is in need of consultant services for the METRO Solutions Project; and

WHEREAS, Dhiren K. Chakraborty brings unique skills and experiences to the METRO Solutions Project; and

WHEREAS, METRO desires to enter into a Requirements Contract with Dhiren K. Chakraborty for an amount not to exceed \$74, 500; and

WHEREAS, this contract will include amounts for the continuation of services from the previous contract;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN TRANSIT AUTHORITY THAT:

Section 1. The President & CEO is hereby authorized and directed to execute and deliver a contract with Dhiren K. Chakraborty for consultant services related to the METRO Solutions Project.

Section 2. The amount of said contract with Dhiren K. Chakraborty is for an amount not to exceed \$74,500 which includes amounts for continuation of services from the previous contract.


Section 3. This resolution is effective immediately upon passage.

ATTEST:

  
Assistant Secretary



PASSED this 16<sup>th</sup> day of October, 2008  
APPROVED this 16<sup>th</sup> day of October, 2008

  
David S. Wolff  
Chairman