

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

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| <input checked="" type="radio"/> Action <input type="radio"/> Information | MEAD Number: 100252 | Resolution: <input checked="" type="radio"/> Yes <input type="radio"/> No |
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TITLE:

Termination of Lease/Leasback Transaction

PURPOSE:

Authorization of the General Manager, the CFO, the Treasurer, and the General Counsel to execute termination documents for the lease/leaseback transaction with Norlease, Incorporated, entered into on October 29, 1998.

DESCRIPTION:

Norlease Incorporated is one of the series of tax leases excuted by the Authority and adversely impacted by the AIG downgrades. The Authority and Norlease Incorporated have discussed the termination of this transaction under conditions which are mutually agreeable.

FUNDING IMPACT:

Legal and filing fees only. Both covered in the tax lease reserve.

RECOMMENDATION:

Approval to terminate the transaction with Norlease, Incorporated and authorize the designated officers to act as necessary and to execute documentation as necessary to terminate the deal for an amount equivalent to the Equity Payment Undertaking Agreement plus reasonable expenses. Additionally, to authorize Mark R. Pohl to execute such legal opinions as may be required as part of the termination proceedings.

SUBJECT: TERMINATION OF LEASE/LEASEBACK TRANSACTION WITH NORLEASE, INC.

**PROPOSED
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY**

WHEREAS, The Authority has entered into a series of tax advantaged leases; and

WHEREAS, The financial markets have been disrupted causing potential additional costs to the Authority; and

WHEREAS, That due to the financial disruption, it is in the best interests of the Authority and Norlease, Inc. an individual Equity Investor to terminate the tax advantaged lease on mutually acceptable terms; now, therefore, be it

RESOLVED, That Board approves of the termination of the transaction with Norlease, Inc. originally entered into on October 29, 1998; and be it further

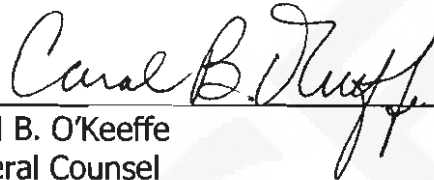
RESOLVED, That the Termination Agreement in substantially the form as presented to the Board in connection with the SunTrust transaction is approved including any elections and notifications required thereby, and John B. Catoe, Jr., Carol Kissal, and Raj Srinath are, and each of them hereby is, authorized to execute the Termination Agreement and any necessary related documents in the name of and on behalf of the Authority with such changes as the person who executes the same may approve (provided such changes, when viewed as a whole, do not have a material adverse effect upon the interests of the Authority), the execution of such document to be conclusive evidence of such person's approval of all such changes; and be it further

RESOLVED, That John B. Catoe, Jr., Carol Kissal, and Raj Srinath are, and each of them hereby is, authorized to approve such changes to which the Authority is not a signatory (provided such changes, when viewed as a whole, do not have a material adverse effect upon the interests of the Authority), to execute such additional documents, instruments and papers as may be necessary or advisable to consummate and implement the Transaction approved in this Resolution, and to perform the Authority's obligations under the Transaction. Mark R. Pohl is also authorized to execute such legal opinions as may be necessary or advisable to consummate and implement the termination approved in this Resolution; and be it further

RESOLVED, That termination of this transaction is authorized at a cost not to exceed the amount in the Equity Payment Undertaking Agreement plus the reasonable expenses of the transaction as required by the terms of the transaction documents and be it finally

RESOLVED, That this Resolution is effective immediately.

Reviewed as to form and legal sufficiency:



Carol B. O'Keeffe
General Counsel

PROPOSED