

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 100371	Resolution: <input checked="" type="radio"/> Yes <input type="radio"/> No
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TITLE:

Termination of Lease/Leaseback Transactions

PURPOSE:

Authorization for the General Manager, the CFO, the Treasurer, and the General Counsel to execute termination documents for the lease/leaseback transactions.

DESCRIPTION:

The Lease/Leaseback transaction(s) entered into by Metro have been adversely impacted by the downgrades of AIG, AMBAC, and FSA, causing potential additional costs to Metro. It is in the best interest of Metro and any electing Equity Investor(s) to terminate the leases on conditions which are mutually agreeable.

FUNDING IMPACT:

Legal, financial advisory, and filing fees only. All of them covered in the tax lease reserve.

RECOMMENDATION:

Approval to terminate the transaction(s) with the electing Equity Investor(s) and authorize the designated officers to act as necessary and to execute the required documentation to terminate the deals for an amount equivalent to the Equity Payment Undertaking Agreements plus reasonable expenses, and to authorize Mark R. Pohl to execute such legal opinions as may be required as part of the termination proceedings when the Equity Investors require an opinion by an attorney licensed in the Commonwealth of Virginia.

SUBJECT: TERMINATION OF LEASE/LEASEBACK TRANSACTIONS

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

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

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

WHEREAS, That due to the financial disruption, it is in the best interests of Metro and any electing Equity Investor to terminate the tax advantaged lease on mutually acceptable terms; now, therefore be it

RESOLVED, That the Board of Directors approves the termination of the transactions shown in Attachment A with the electing Equity Investor(s) should such an election occur; and be it further

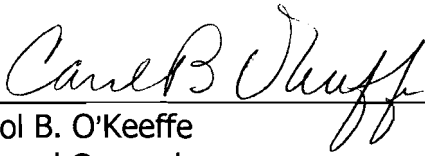
RESOLVED, That any such Termination Agreements in substantially the form as presented to the Board of Directors in connection with the SunTrust transaction are approved including any elections and notifications required thereby; and John B. Catoe, Jr., Carol D. Kissal, and Raj Srinath are, and each of them hereby is, authorized to execute the Termination Agreement(s) and any necessary related documents in the name of and on behalf of Metro 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 Metro), 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 D. Kissal, and Raj Srinath are, and each of them hereby is, authorized to approve such changes to which Metro is not a signatory (provided such changes, when viewed as a whole, do not have a material adverse effect upon the interests of Metro), to execute such additional documents, instruments and papers as may be necessary or advisable to consummate and implement the Transactions approved in this Resolution, and to perform Metro's obligations under the Transactions. Mark R. Pohl is also authorized, in addition to the General Counsel, to execute such legal opinions as may be necessary or advisable to consummate and implement the termination approved in this Resolution when the Equity Investors require an opinion issued by an attorney licensed in the Commonwealth of Virginia; and be it further

RESOLVED, That termination of the transactions between Metro and any electing Equity Investor and the making of the required payments are authorized at a cost not to exceed the amount in the Equity Payment Undertaking Agreement(s) plus the reasonable legal costs of the transaction(s) as contractually committed under the terms of the Agreement; and be it finally

RESOLVED, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



Carol B. O'Keeffe
General Counsel

TRANSACTIONS COVERED BY THIS RESOLUTION

WMATA 1998-CIBC-B4
WMATA 1998-NBLC-R
WMATA 1998-COM-B3
WMATA 1998-COM-B4
WMATA 1998-1stM-B4
WMATA 1998-PC-R
WMATA 1998-TEN-R
WMATA 1998 Trust USB A
WMATA 1998 Trust SSBTC A
WMATA 1998 Trust CCC A
WMATA 2002 Trust WFBM A
WMATA 2003Trust ICX