

PRESENTED AND ADOPTED:

SUBJECT: TAX ADVANTAGED LEASE INDEMNIFICATION

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

WHEREAS, On October 29, 1998, the Washington Metropolitan Area Transit Authority (WMATA) entered into a leasing transaction with the First American National Bank; and

WHEREAS, First American National Bank assigned its rights and obligations under that leasing transaction to A-F Leasing LLC; and

WHEREAS, In the event of a loss to a limited number of rail cars, the terms of the transaction allow WMATA to substitute a limited number of rail cars for similar cars that have been leased to A-F Leasing LLC; and

WHEREAS, On November 3, 2004, WMATA Rail Cars Nos. 1076 and 1077 suffered an "Event of Loss" that necessitates the substitution of two rail cars for these two cars; now, therefore, be it


RESOLVED, That the Board authorizes and directs the General Manager/Chief Executive Officer and appropriate WMATA Staff to execute such documents and certificates as may be necessary to effectuate the substitution of WMATA Rail Car Nos. 1024 and 1025 for rail car nos. 1076 and 1077 that suffered the "Event of Loss", including but not limited to a Lease Supplement, a Sublease Supplement, a Supplement to the Equipment Mortgage and Pledge Agreement, and a Supplement to the Loan and Security Agreement; provided that the terms of those documents and certificates shall not be materially adversely different from the original documents executed as part of the October 29, 1998 transaction; and be it further

RESOLVED, That as required by section 9(a)(ii)(y)(E) of the Sublease Agreement between WMATA and WMATA1998-TEN-R Trust, the Board approves of the granting of an indemnification to the WMATA1998-TEN-R Trust and to A-F Leasing LLC against additional costs, expenses, taxes,

interest, penalties, and legal fees and expenses incurred solely as a result of the substitution of the rail cars covered by this Resolution; and be it finally

RESOLVED, that this Resolution shall be effective immediately.

Reviewed for form and legal sufficiency


Carol B. O'Keeffe
General Counsel