

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 100495	Resolution: <input checked="" type="radio"/> Yes <input type="radio"/> No
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TITLE:

Tax Advantaged Lease Rail Car Substitution

PURPOSE:

Authorization for the General Manager, the CFO, the Treasurer, and the General Counsel to execute substitution documents, for railcars damaged in the June 22, 2009 accident.

DESCRIPTION:

Railcar Numbers 1130, 1131, 3036, and 3037 were damaged in the June 22, 2009 accident. As a result Metro is allowed to substitute two damaged rail car pairs for two similar rail car pairs in accordance with the lease terms. It is in the best interest of Metro to substitute rail cars, as the alternative would require Metro to pay the Lessor, a substantial dollar amount, for the termination value of the damaged rail cars.

FUNDING IMPACT:

Legal fees only, covered by tax lease reserves.

RECOMMENDATION:

Authorization to execute documents, certificates, and assurances necessary to effectuate the substitution of Metro Railcar Numbers 1000, 1001, 3068, and 3069 for Railcar Numbers 1130, 1131, 3036, and 3037.

SUBJECT: TAX ADVANTAGED LEASE RAIL CAR SUBSTITUTION - U.S. BANCORP

2009-67
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, On December 18, 1998, the Washington Metropolitan Area Transit Authority (Metro) entered into a leasing transaction with U.S. Bancorp Leasing and Financial; and

WHEREAS, U.S. Bancorp Equipment Finance, Inc., succeeded to the interest of U.S. Bancorp Leasing and Financial; and

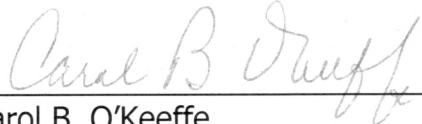
WHEREAS, In the event of a loss, the terms of the transaction allow Metro to substitute a limited number of rail cars for similar cars that have been leased to U.S. Bancorp Equipment Finance, Inc.; and

WHEREAS, On June 22, 2009, Metro Rail Cars Nos. 3036 and 3037 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 of Directors authorizes and directs the General Manager, Chief Financial Officer, Treasurer, and other appropriate Metro Staff to execute such documents, certificates, and assurances as may be necessary to effectuate the substitution of Metro Rail Car Nos. 3068 and 3069 for Metro Rail Car Nos. 3036 and 3037, that suffered the "Event of Loss", including but not limited to a Head Lease Supplement; a Lease Supplement; a Supplement to the Equipment Mortgage and Pledge Agreement; a Supplement to the Loan and Security Agreement; and an Amendment to Tax Indemnification 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 December 18, 1998 transaction and to pay all expenses of the substitution as required by the original documents; 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

SUBJECT: TAX ADVANTAGED LEASE RAIL CAR SUBSTITUTION – BANK OF HAWAII

2009-68
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, On October 29, 1998, the Washington Metropolitan Area Transit Authority (Metro) entered into a leasing transaction with the Pacific Century Leasing, Inc.; and

WHEREAS, Bank of Hawaii succeeded to the interest of Pacific Century Leasing, Inc.; and

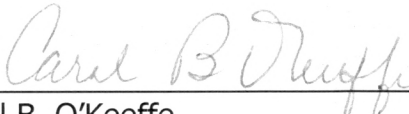
WHEREAS, In the event of a loss, the terms of the transaction allow Metro to substitute a limited number of rail cars for similar cars that have been leased to Bank of Hawaii; and

WHEREAS, On June 22, 2009, Metro Rail Cars Nos. 1130 and 1131 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 of Directors authorizes and directs the General Manager, Chief Financial Officer, Treasurer, and other appropriate Metro Staff to execute such documents, certificates, and assurances as may be necessary to effectuate the substitution of Metro Rail Car Nos. 1000 and 1001 for Metro Rail Car Nos. 1130 and 1131, 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; a Supplement to the Loan and Security Agreement; and an Amendment to Tax Indemnification 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 to pay all expenses of the substitution as required by the original documents; and be it finally

RESOLVED, That this Resolution shall be effective immediately.

Reviewed for form and legal sufficiency,



Carol B. O'Keeffe
General Counsel