

Consent Item (A) 12-10-2020

Washington Metropolitan Area Transit Authority

Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
202183

Resolution:
☐ Yes ☒ No

TITLE:

Moody's Investors Service Indemnification

PRESENTATION SUMMARY:

Staff is requesting the Board indemnify Moody's Investors Service for past and future rating services.

PURPOSE:

Seeking Board approval of indemnification of Moody's Investors Service for past and future rating services.

DESCRIPTION:

The party with an interest in this matter is **Moody's Investors Service**.

Key Highlights:

- WMATA, as part of the Series 2020A bond issue, contracted with Moody's for indicative rating.
- Approval of this indemnification will assure Moody's Investors Service will be available to provide rating services if WMATA chooses to engage them for future bond issuances.

Background and History:

Moody's Investors Service is one of the premier agencies for credit ratings and evaluation of municipal bond issues. WMATA engaged Moody's Investors Services to provide indicative credit rating related to the Series 2020 Dedicated Revenue Bond sale. A requirement for engaging Moody's Investors Service is agreement to their terms and conditions, which in this case, included an indemnification provision.

Discussion:

In order to complete all related activities and achieve a June bond sale date, WMATA and Moody's agreed that the request for indemnification would be submitted in the future to WMATA Board of Directors for approval, provided that, for the avoidance of doubt, both parties acknowledged there could be no

Board approval of a Moody's contract indemnification provision assures
Moody's can be engaged to provide rating services for future bond issuances.

r . g **FUNDING IMPACT:**

There is no funding impact	
Project Manager:	Robert Haas
Project Department/Office:	CFO/TRES

TIMELINE:

Previous Actions	Ratings Agreement March 2020
Anticipated actions after presentation	None

RECOMMENDATION:

Approval of indemnification of Moody's Investors Service for past and future rating services.

SUBJECT: APPROVAL TO INDEMNIFY MOODY'S INVESTOR SERVICES

2020-48

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

WHEREAS, Resolution 2011-30 requires Board of Directors approval for WMATA to indemnify a counterparty; and

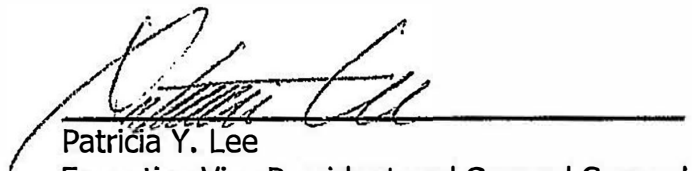
WHEREAS, Moody's Investor Services agreed to provide an indicative rating on WMATA's inaugural dedicated revenue bonds in mid-April 2020 provided that, as soon as practical thereafter, the Board would consider approving its standard indemnification;

NOW THEREFORE, be it

RESOLVED, That the Board of Directors approves the indemnification of Moody's Investor Services in the form shown in Attachment A; and be it finally

RESOLVED, That this Resolution shall be effective 30 days after adoption in accordance with Compact § 8(b).

Reviewed as to form and legal sufficiency,



Patricia Y. Lee
Executive Vice President and General Counsel

WMATA File Structure No.:
15.2.1 Grants of Indemnification

Attachment A

To the extent permitted by law and approved by the WMATA Board of Directors, you will indemnify and hold harmless Moody's from any losses, claims, damages, costs or injury (including reasonable attorneys' fees) ("Losses") arising from or in connection with: (i) reliance on, or disclosure of, Moody's Confidential Information by you or by any third party that has directly or indirectly obtained Moody's Confidential Information from you; or (ii) any breach of this Appendix B by you; provided that this indemnity shall not apply to any Losses to the extent such Losses are attributable to Moody's fraud or willful misconduct.

To the extent permitted by law, you further agree to indemnify and hold Moody's harmless against any and all losses, claims, damages, costs or injury (including without limitation attorneys' fees) of whatever nature (whether foreseeable or not) and however caused, in whole or in part caused by, resulting from or relating to, any posting or linking to our Research under this Appendix A.