

**Washington Metropolitan Area Transit Authority
Board Action/Information Summary**

<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information	MEAD Number: 100029	Resolution: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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PURPOSE

Request Board approval of indemnification of Wachovia Bank, NA to facilitate the execution of loan documents associated with a \$100 million Line of Credit.

DESCRIPTION

On April 24, 2008 the Board authorized staff to proceed with the documentation and execution of a \$100 million Line of Credit with Wachovia Bank, NA. As part of the documentation required for the Line of Credit, Wachovia Bank requires an indemnification against any liabilities that could arise as a result of Authority misrepresentation in completion of this loan agreement. The requirement for indemnification was not part of the original term sheet; it was only during completion of the loan agreement that the requirement for indemnification was realized. Although the Board authorized the execution of the Line of Credit, it did not authorize indemnification of the bank.

FUNDING IMPACT

None

RECOMMENDATION

Approval of a resolution for the indemnification of Wachovia Bank, NA.

PRESENTED & ADOPTED:

SUBJECT: INDEMNIFICATION OF WACHOVIA BANK, NA FOR SHORT-TERM LINE OF CREDIT

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

WHEREAS, The Board of Directors has authorized the Authority to execute a Line of Credit with Wachovia Bank, NA; and

WHEREAS, The terms and conditions require an indemnification provision not outlined in preliminary documentation; and


WHEREAS, As part of loan documentation, Wachovia Bank, NA requires the Authority to indemnify Wachovia Bank, NA and its affiliates from and against any losses, liabilities, claims, damages, penalties, or fines imposed upon, asserted or assessed against or incurred by Wachovia Bank, NA arising out of the inaccuracy or breach of any of the Authority's representations contained in the Agreement or any other Loan Documents; and

WHEREAS, The Board of Director's approval is required for indemnification language to be included in Agreements; now, therefore be it

RESOLVED, That the Board of Directors approves the granting of the requested indemnification outlined in the Wachovia Bank, NA loan 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