

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, the Northern Virginia Transportation District Commission (“NVTC”) and the Potomac and Rappahannock Transportation District Commission (“PRTC”), and together with NVTC, the “Commissions”, jointly operate the Virginia Railway Express (the “VRE”) commuter rail service in Northern Virginia pursuant to the Master Agreement dated as of October 3, 1989 as amended (the “Master Agreement”) among the Commissions and the Participating and Contributing Jurisdictions described in such Master Agreement; and,

**WHEREAS**, VRE has been presented with a unique market opportunity to sell the Kawasaki fleet; and,

**WHEREAS**, such a sale could standardize VRE’s railcar fleet and reduce overall railcar maintenance costs; and,

**WHEREAS**, the requirements for VRE’s fleet size can be sustained through the acquisition of ten more Gallery style cars to replace the Kawasaki cars; and,

**WHEREAS**, through competitive advertising and solicitation, buyers and sellers have been identified and two separate, but linked transactions are being recommended by VRE staff; and,

**WHEREAS**, the County Board of Arlington County, Virginia, is a Contributing Jurisdiction under the terms of the Master Agreement; and,

**WHEREAS**, the Master Agreement provides that VRE shall utilize reasonable debt financing to the extent that such financing is advantageous and is in the interest of the parties to the Master Agreement, but requires that VRE not assume debt without the consent of all Participating and Contributing Jurisdictions; and,

**WHEREAS**, the VRE Operations Board recommended that the Commissions authorize the VRE Chief Executive Officer to execute a sales agreement for the sale of thirteen Kawasaki railcars and associated spare parts to the Maryland Department of Transportation for \$22 million and its assumption of the remaining federal interest; and,

**WHEREAS**, the VRE Operations Board recommended that the Commissions authorize the VRE Chief Executive Officer to purchase ten new Gallery railcars from Sumitomo Corporation of America for \$22 million, plus a contingency of \$660,000, for a total amount not to exceed \$22,660,000; and,

**WHEREAS**, the VRE Operations Board recommended that subject to approval by all VRE Master Agreement signatory member jurisdictions, the Commissions authorize an increase to the Federal Railway Administration (FRA) loan in an amount not

to exceed \$17,350,000, with a term not to exceed 25 years, an interest rate of 4.74%, and a credit risk premium of 1.88%.

**NOW, THEREFORE, BE IT RESOLVED THAT**, the County Board of Arlington County, Virginia consents that the VRE Chief Executive Officer negotiate, complete, execute and deliver documents required to defease the 1997 Kawasaki bonds and pay any associated financing costs to a related payee; and,

**BE IT FURTHER RESOLVED THAT**, the County Board of Arlington County, Virginia consents, in accordance with the terms of the Master Agreement, in the incurrence of the FRA loan by NVTC, to finance the costs associated with the purchase of ten "Gallery" style cars; and,

**BE IT FURTHER RESOLVED THAT**, if required by the FRA as a condition to the making of the FRA loan, the County Board of Arlington County, Virginia further consents to the Commissions granting to the FRA security interests in the railcars and/or the Commissions' rights to payment under the Master Agreement; and

**BE IT FURTHER RESOLVED THAT**, the appropriate officers of the County Board of Arlington County, Virginia are authorized to execute and deliver such agreements, instruments, and certificates as may be necessary to accomplish the foregoing.

ADOPTED: July 19, 2008