

Record Nos. 7377, 7378

PETITIONS FOR WRITS OF MANDAMUS

In the
Supreme Court of Appeals of Virginia
at Richmond

BOARD OF SUPERVISORS OF
FAIRFAX COUNTY

against Record No. 7377

CARLTON C. MASSEY, COUNTY
EXECUTIVE OF FAIRFAX COUNTY

CITY OF FALLS CHURCH

against Record No. 7378

HARRY E. WELLS, CITY MANAGER
OF THE CITY OF FALLS CHURCH

RULE 5:12—BRIEFS

55. NUMBER OF COPIES. Twenty-five copies of each brief shall be filed with the clerk of this Court and three copies shall be mailed or delivered by counsel to each other counsel as defined in Rule 1:13 on or before the day on which the brief is filed.

56. SIZE AND TYPE. Briefs shall be nine inches in length and six inches in width, so as to conform in dimensions to the printed record, and shall be printed in type not less in size, as to height and width, than the type in which the record is printed. The record number of the case and the names and addresses of counsel submitting the brief shall be printed on the front cover.

HOWARD G. TURNER, Clerk.

NOTICE TO COUNSEL

This case probably will be called at the session of court to be held

MAR 1970

You will be advised later more definitely as to the date. Print names of counsel on front cover of briefs.

Howard G. Turner, Clerk

Record No. 7377

VIRGINIA:

In the Supreme Court of Appeals held at the Supreme Court of Appeals Building in the City of Richmond on Wednesday the 3rd day of December, 1969.

BOARD OF SUPERVISORS OF
FAIRFAX COUNTY,

Petitioner,

against

CARLTON C. MASSEY, COUNTY
EXECUTIVE OF FAIRFAX COUNTY,

Respondent.

Upon a Petition for a Peremptory Writ of *Mandamus*

On December 1, 1969, came the Board of Supervisors of Fairfax County, a body corporate, by counsel, and presented to the court its petition praying that a peremptory writ of *mandamus* do forthwith issue, to be directed to Carlton C. Massey, County Executive of Fairfax County, requiring and commanding him to enter into a certain agreement as more fully set out in said petition, and for other relief. And the petitioner further prays that the said Carlton C. Massey be made a party respondent to the petition and be required to answer the same.

And it appearing to the court that a copy of the notice of this application and of said petition have been duly served on the respondent, it is ordered that this cause be docketed and placed on the privileged docket of this court to be argued orally at the March, 1970, session.

Whereupon came the respondent, by counsel, and obtained leave to file his answer.

Also came the Washington Metropolitan Area Transit Authority, by counsel, and upon its motion leave is granted it to file with the clerk twenty-five printed copies of a brief *amicus curiae* on or before January 23, 1970, and to argue orally when the cause is heard on the merits.

And it is further ordered that the record be printed; that the petitioner file with the clerk twenty-five printed copies of its brief on or before January 9, 1970; that the respondent file with the clerk twenty-five printed copies of his brief on or before February 6, 1970; and that the petitioner file with the clerk twenty-five printed copies of his reply brief, if any, on or before February 19, 1970, and the cause is continued.

IN THE
Supreme Court of Appeals of Virginia

AT RICHMOND

Record No. 7378

VIRGINIA:

In the Supreme Court of Appeals held at the Supreme Court of Appeals Building in the City of Richmond on Wednesday the 3rd day of December, 1969.

CITY OF FALLS CHURCH, Petitioner,

against

HARRY E. WELLS, CITY MANAGER
OF THE CITY OF FALLS CHURCH, Respondent.

Upon a Petition for a Peremptory Writ of *Mandamus*

On December 1, 1969, came the City of Falls Church, a municipal corporation, by counsel, and presented to the court its petition praying that a peremptory writ of *mandamus* do forthwith issue, to be directed to Harry E. Wells, City Manager of the City of Falls Church, requiring and commanding him to enter into a certain agreement as more fully set out in said petition, and for other relief. And the petitioner further prays that the said Harry E. Wells be made a party respondent to the petition and be required to answer the same.

And it appearing to the court that a copy of the notice of this application and of said petition have been duly served on the respondent, it is ordered that this cause be docketed and placed on the privileged docket of this court to be argued orally at the March, 1970, session.

Whereupon came the respondent, by counsel, and obtained leave to file his answer.

Also came the Washington Metropolitan Area Transit Authority, by counsel, and upon its motion leave is granted it to file with the clerk twenty-five printed copies of a brief *amicus curiae* on or before January 23, 1970, and to argue orally when the cause is heard on the merits.

And it is further ordered that the record be printed; that the petitioner file with the clerk twenty-five printed copies of its brief on or before January 9, 1970; that the respondent file with the clerk twenty-five printed copies of his brief on or before February 6, 1970; and that the petitioner file with the clerk twenty-five printed copies of his reply brief, if any, on or before February 19, 1970, and the cause is continued.

* * * * *

BOARD OF SUPERVISORS OF
FAIRFAX COUNTY, Petitioner,

v.

RECORD NO. 7377

CARLTON C. MASSEY, County Executive,
Respondent.

CITY OF FALLS CHURCH, Petitioner,

v.

RECORD NO. 7378

HARRY E. WELLS, City Manager, Respondent.

STIPULATION AND DESIGNATION OF RECORD

The parties, by counsel, enter into this Stipulation regarding the conduct of the captioned cases:

1. These cases shall be consolidated and treated as if they constituted but a single case.

2. The record in each case shall consist of the following:

- (a) Notice of Application for Writ of *Mandamus*.
- (b) Petition for Writ of *Mandamus*, with attached exhibits.
- (c) Petition for Leave to Intervene *Amicus Curiae*.
- (d) Answer.
- (e) This Stipulation.

(f) Annex II to a resolution of the Board of Directors of Washington Metropolitan Area Transit Authority adopted February 7, 1969, entitled "Summary of the Regional Rapid Rail Transit Plan and Program, March 1, 1968 (Revised February 7, 1969)" and attached as Exhibit A to this Stipulation.

(g) Annex III to the aforesaid resolution, being a map of the regional metro system and attached as Exhibit B to this Stipulation.

(h) Transit Service Agreement dated March 13, 1969, which this Court considered in *Board of Supervisors of Fairfax County v. Massey*, 210 Va. 253 (1969), being attached as Exhibit C to this Stipulation.

(i) Order of this Court docketing the case.

3. A joint record shall be printed for the two cases. There shall be printed first the Orders of this Court docketing the

cases followed by the following portions of the record in *Board of Supervisors of Fairfax County v. Massey*:

- (a) Order of this Court docketing the case.
 - (b) This Stipulation.
 - (c) Notice of Application for Writ of *Mandamus*.
 - (d) Petition for Writ of *Mandamus*.
 - (e) Exhibit I to the Petition, entitled "Resolution of Board of Directors of Washington Metropolitan Area Transit Authority".
 - (f) Exhibit B to said Exhibit I, entitled "Adopted Regional Transit System (ARS-68)".
 - (g) Exhibit C to said Exhibit I, entitled "General Statement of Terms and Conditions of Proposed Transit Revenue Bond Trust Indenture".
 - (h) Exhibit D to said Exhibit I, entitled "Capital Contributions Agreement", but pages 12-14(a) thereof shall not be printed.
 - (i) Exhibit E to said Exhibit I, entitled "Revised Calculation of Revenue Bonds to be Issued for Adopted Regional System".
 - (j) Exhibit II to the Petition, entitled "Transit Service Agreement".
 - (k) Exhibit III to the Petition, being a resolution of the Board of Supervisors of Fairfax County.
 - (l) Exhibit IV to the Petition, being a letter from Carlton C. Massey.
 - (m) Answer.
 - (n) Pages 1-3 of Exhibit A to this Stipulation, entitled "Summary of the Regional Rapid Rail Transit Plan and Program, March 1, 1969 (revised February 7, 1969)".
 - (o) Exhibit C to this Stipulation, being the Transit Service Agreement dated March 13, 1969.
- There shall then be printed the following portions of the record in *City of Falls Church v. Wells*:
- (p) Notice of Application for Writ of *Mandamus*.
 - (q) Petition for Writ of *Mandamus*.
 - (r) Exhibit III to the Petition, being a resolution of the Falls Church City Council.
 - (s) Exhibit IV to the Petition, being a letter from Harry E. Wells.
 - (t) Answer.

4. The parties also stipulate:

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(a) That the obligations created by the Transit Service Agreement has neither been approved nor rejected by a majority of the qualified voters of the County of Fairfax and no election has been held on the issue;

(b) That the sum of \$9,544,068.54 equals eighteen per centum of the assessed valuation of the real estate in the City of Falls Church subject to taxation, as shown by the last preceding assessment for taxes;

(c) The sum of the existing indebtedness of the City of Falls Church which is subject to the limitations of the first paragraph of Section 127 of The Constitution of Virginia is \$3,817,172.60.

5. The time for filing briefs shall be as follows:

(a) Petitioners' Opening Brief - by January 9, 1970.

(b) Respondents' Brief - by February 6, 1970.

(c) Petitioners' Reply Brief, if any - by February 19, 1970.

Dated December 15, 1969.

City of Falls Church
By Harry Frazier, III
Counsel

Harry E. Wells
By Dexter S. Odin
Counsel

Board of Supervisors of Fairfax County
By Harry Frazier III
Counsel

Carlton C. Massey
By Dexter S. Odin
Counsel

* * * * *

BOARD OF SUPERVISORS OF FAIRFAX COUNTY

v

**CARLTON C. MASSEY, COUNTY EXECUTIVE
OF FAIRFAX COUNTY****RECORD NO. 7377**

* * * * *

**NOTICE OF APPLICATION FOR
WRIT OF *MANDAMUS*****TO: The Honorable Carlton C. Massey, County Executive,
Fairfax County, Virginia**

Please take notice that on the 1st day of December, 1969, at 4:00 P. M., or as soon thereafter as counsel may be heard, the undersigned, by counsel, will make application to the Supreme Court of Appeals of Virginia, then sitting at Richmond, Virginia, or to a Justice thereof, for a writ of *mandamus* against you, a copy of the Petition for said writ being attached hereto.

**BOARD OF SUPERVISORS OF FAIRFAX COUNTY
By Donald C. Stevens, County Attorney**

Harry Frazier III
Special Counsel for the Board of Supervisors of Fairfax County

Legal and timely service of the foregoing Notice of Application for Writ of *Mandamus*, with copy of Petition for Writ of *Mandamus* attached, is hereby accepted this 27 day of November, 1969.

Carlton C. Massey
County Executive
Fairfax County

Received Nov 28 1969 Clerk Supreme Court of Appeals Richmond, Virginia

* * * * *

PETITION FOR WRIT OF *MANDAMUS*

Your petitioner, the Board of Supervisors of Fairfax County, a body corporate, brings this action against its

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County Executive for a writ of *mandamus* to compel him to execute a contract on behalf of Fairfax County and in support thereof respectfully represents to the Court as follows:

I

This petition is filed as an original proceeding pursuant to Section 17-96, Code of Virginia of 1950, as amended. This Court has jurisdiction to hear this matter and to grant the writ of *mandamus* prayed for.

II

By Chapter 2 of the Acts of the General Assembly of 1966, Virginia adopted the Washington Metropolitan Area Transit Authority Compact (Compact), an interstate agreement between Virginia, Maryland and the District of Columbia. The Compact creates the Washington Metropolitan Area Transit Authority (Authority), a body corporate and politic, as an agency and instrumentality of each of the signatory parties thereto, to plan, develop, finance and cause to be provided transit facilities and service for the Washington Metropolitan Transit Zone (Zone). Fairfax County is located in the Zone, which also embraces the District of Columbia, the Cities of Alexandria, Falls Church and Fairfax and the County of Arlington and the Political Subdivisions of Virginia located within those Counties, and the Counties of Montgomery and Prince George's and the Political Subdivisions of the State of Maryland located in said Counties.

III

In the Transportation District Act of 1964, enacted by Chapter 631 of the Acts of General Assembly of 1964, and codified as Chapter 32 of Title 15.1 of the Code of Virginia of 1950, as amended, being Sections 15.1-1342 through 15.1-1372, as amended (Act), the General Assembly authorized the creation of transportation districts, embracing two or more counties or cities, or combinations thereof, to facilitate the planning and development of improved transit facilities. In contemplation of the enactment of the Compact, Section 15.1-1357(b) of the Act authorizes transportation districts "located within a metropolitan area, which includes all or a portion of a State or States contiguous to Virginia . . ." to cooperate and participate in the planning and financing of an interstate regional transit system. In order to take ad-

vantage of the Act, the Northern Virginia Transportation District was created by Chapter 630 of the Acts of General Assembly of 1964, encompassing the Cities of Alexandria, Fairfax and Falls Church and the Counties of Arlington and Fairfax, all being located in the Zone.

IV

Under Section 15.1-1359 of the Act and Section 18(a) of the Compact, your petitioner is authorized to enter into contracts or agreements with the Authority under which the Authority undertakes to provide the transportation facilities and to render the transportation service specified in a duly adopted transportation plan in consideration for the undertaking by the petitioner to make capital contributions toward the construction or acquisition of such facilities and payments for such transportation service.

V

In conformance with the Compact, the Authority, on February 7, 1969, adopted a mass transit plan and a plan for financing the construction and operation of the regional transit system specified therein. A Capital Contributions Agreement, covering the commitment of petitioner with respect to capital costs, and a Transit Service Agreement, covering the commitment of petitioner with respect to operations, were important elements of that financial plan.

In an action by petitioner against Carlton C. Massey, its County Executive, for a writ of *mandamus* to compel him to execute the Transit Service Agreement, this Court held that the Transit Service Agreement constituted a debt and was invalid for failure to comply with the applicable procedures and criteria for incurring debt (*Board of Supervisors of Fairfax County v. Massey*, 210 Va. 253).

VI

The invalidation of said Transit Service Agreement has affected considerations upon which the feasibility of the original plan of financing was based. As a result, on November 20, 1969, the Authority rescinded the original plan of financing and, in conformance with the Compact, adopted a new and substantially different Financial Plan (New Financial Plan). A copy of the New Financial Plan is attached hereto as Exhibit I. A revised Capital Contributions Agreement and New Transit Service Agreements are important

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elements of the New Financial Plan. A copy of the revised Capital Contributions Agreement appears as Exhibit D to Exhibit I and the New Transit Service Agreement is attached hereto as Exhibit II.

Under the New Financial Plan, the total project cost of the regional transit system is estimated to be \$2,600,566,000, inclusive of net interest during construction of \$61,966,000 and \$44,000,000 to fund in part a bond reserve fund. The total project cost will be financed by the sale by the Authority of \$880,000,000 of its revenue bonds (including \$44,000,000 to establish the initial part of a bond reserve fund) and by capital contributions in the aggregate amount of \$1,720,566,000, of which \$1,147,044,000 is to be contributed by the Federal Government and \$573,522,000 by petitioner and the other Political Subdivisions in the Zone. Petitioner's obligation to make capital contributions toward the financing of the project is set forth in the revised Capital Contributions Agreement.

In order to establish the financial feasibility of the regional transit system, the New Financial Plan reflects the need for greater system revenues than did the original plan of financing. These additional revenues, which are required, in addition to the fare box and other revenues of the regional transit system, to maintain the levels of operation and service for which the regional transit has been designed and support the Authority's capital structure, are to be provided by payments to the Authority of annual service charges by petitioner, as well as such payments by the other Political Subdivisions in the Zone, under the New Transit Service Agreements in consideration of the transit service provided to each of them by the Authority's regional transit system.

VII

Petitioner's obligation to purchase such transit service is set forth in the New Transit Service Agreement attached as Exhibit II. Section 3.1 of said Agreement provides that petitioner shall pay 1-1/4¢ for each transit trip taken by one of its residents and 20¢ for each train mile operated within its corporate boundaries. The service payment for each year is to be made after the end of such year on the basis of actual transit trips by residents and actual train miles operated. The obligation to make payments for transit service commences with the year next succeeding the initial date of substantially full revenue service of the regional transit system, which is presently scheduled to be 1980.

\$ 880 m m - Bonds
1 720 566 m - Cap Conts

\$ 2 600 566 m

VIII

On November 26, 1969, the Board of Supervisors of Fairfax County duly adopted a resolution approving the New Transit Service Agreement and authorizing and directing the respondent as County Executive to execute that Agreement on behalf of Fairfax County. A copy of said resolution is attached as Exhibit III.

The respondent, however, has advised the Board of Supervisors by letter dated November 26, 1969, a copy of which is attached as Exhibit IV, that he entertains doubts respecting the legality of the New Transit Service Agreement and that he will not execute said Agreement until its legality had been adjudicated by this Court. The respondent raises the following question:

Will the County's undertaking under the New Transit Service Agreement to make Service Payments in accordance with the terms thereof constitute debt for the purposes of Section 115a of the Constitution of the Commonwealth requiring that the contracting of such debt be put to a vote at a County election?

IX

Your petitioner believes, and so avers, that the undertaking by Fairfax County under the New Transit Service Agreement does not violate Section 115a of the Constitution of the Commonwealth, that such agreement is valid in all respects and complies with the Compact and the Act and that the duty of the respondent to execute such Agreement is purely ministerial and involves the exercise of no discretion of his part.

WHEREFORE, your petitioner, the Board of Supervisors of Fairfax County, prays that the respondent, Carlton C. Massey, be made a party to this petition and be required to answer the same; that this matter be advanced on the docket of the Court for consideration at the earliest practicable date; that this Court grant the petitioner an oral argument; that this Court consider and determine all questions raised or to be raised in this proceeding and decree that the New Transit Service Agreement is a valid contract not in violation of the Constitution of the Commonwealth; and that a writ of *mandamus* be issued by this Court directed to

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the respondent requiring him to execute the New Transit Service Agreement on behalf of Fairfax County.

BOARD OF SUPERVISORS OF FAIRFAX COUNTY

By Donald C. Stevens, County Attorney

Received Nov 28 1969 Clerk Supreme Court of Appeals
Richmond, Virginia

AFFIDAVIT OF PETITIONER

STATE OF VIRGINIA

County of Fairfax ss:

This day personally appeared before me, a notary public in and for the County of Fairfax, State of Virginia, Donald C. Stevens, who stated upon oath that he is County Attorney of Fairfax County and that the matters and things stated in the Petition for Writ of *Mandamus*, annexed hereto, are true to the best of his knowledge, information and belief.

Given under my hand this 27 day of November, 1969.

LaRue VanMeter
Notary Public

April 13, 1970

My commission expires:

* * * * *

EXHIBIT I TO PETITION

November 20, 1969

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

WHEREAS, the Board of Directors of the Washington Metropolitan Area Transit Authority (the "Authority") by resolution dated February 7, 1969 adopted a FINANCIAL PLAN for the construction or acquisition of the proposed transit system (the "Transit System") of the Authority in

accordance with the REGIONAL RAPID RAIL TRANSIT PLAN AND PROGRAM adopted March 1, 1968 and revised February 7, 1969 (the "Transit Plan and Program");

WHEREAS, the Supreme Court of Appeals of Virginia held that the form of Transit Service Agreement which constituted an integral part of said Financial Plan adopted February 7, 1969 was in conflict with certain provisions of the Virginia Constitution; and

WHEREAS, as a result of such court decision said Financial Plan adopted February 7, 1969 is to be rescinded and a new and substantially different Financial Plan must now be adopted, within the framework of the Washington Metropolitan Area Transit Authority Compact (the "Compact"), to meet the financial needs of the Authority in connection with the construction, acquisition and operation of the proposed Transit System and to conform to the requirements of Virginia law, as well as the law of Maryland and the District of Columbia.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority that the FINANCIAL PLAN adopted by resolution of the Board dated February 7, 1969 and identified as "ANNEX IV" to said resolution, is hereby rescinded, and there is hereby adopted in lieu thereof a new FINANCIAL PLAN, as a proposal to the interested governments for financial participation in the TRANSIT PLAN AND PROGRAM, as follows:

TRANSIT SYSTEM FINANCIAL PLAN

The Plan for financing the Transit System in accordance with Article VII, Section 17(a) of the Compact is as follows:

1. *Facilities of the Transit System.* The facilities of the Transit System to be constructed or acquired are described in the Transit Plan and Program.

2. *Cost of the Transit System.* The cost of all facilities of the Transit System to be constructed or acquired, including all rolling stock, other equipment and contingency and cost escalation allowances is estimated at \$2,494,600,000 exclusive of net interest during construction and a funded bond reserve.

3. *Financing Policy and Source of Funds.* Article VII, Section 16, of the Compact declares the policy "... that, as far as possible, the payment of all costs shall be borne by the persons using or benefiting from the Authority's facilities and services and any remaining costs shall be equitably shared among the federal, District of Columbia and participating local governments in the Zone."

1720 36
880

600 56

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In accordance with this policy, it is proposed that funds to pay the costs of construction and acquisition of the Transit System be provided by (i) Capital Contributions aggregating \$1,720,566,000, and (ii) the proceeds of Transit Revenue Bonds of the Authority aggregating \$880,000,000, of which \$44,000,000 will be used to establish in part a bond reserve fund.

4. *Capital Contributions.* The Capital Contributions for the Transit System aggregating \$1,720,566,000 are to be provided by the Federal Government and the participating local governments on a 2/3-1/3 matching basis, resulting in Capital Contributions by the Federal Government of \$1,147,044,000 and by the local governments of \$573,522,000. The total obligation of the local governments is allocated among the District of Columbia, Maryland and Virginia on the basis of the allocation formula adopted by the Board of Directors of the Authority on March 1, 1968 and reallocated among the local governments in Maryland and Virginia on the basis of sub-allocation formulae adopted by the Washington Suburban Transit Commission and the Northern Virginia Transit Commission. Said formulae are set forth in Schedule B to Exhibit D.

The several obligations of the local governments to make the Capital Contributions allocated to them will be evidenced by the Capital Contributions Agreement, attached hereto as Exhibit D, and the Capital Contributions shall be made in accordance with the Schedule of Receipts attached to said Agreement as Schedule A.

The Capital Contributions specified in the Capital Contributions Agreement cover 97% of the net project costs allocated to the local governments on the basis of present cost estimates. A procedure is provided in the Agreement for the equitable allocation among the local governments of additional costs, if any, on July 1, 1974, or five years after the start of construction of the Transit System, whichever is the later date. At that point in time—midway through the construction period—more accurate estimates of costs of the Transit System will be available. If these estimates show that increased commitments are required from the local governments, the Capital Contributions Agreement provides the manner in which such commitments would be obtained. The local governments pledge their faithful cooperation and best efforts in the Agreement to secure any additional authorization required for any such increased commitments. Funds from any such increased commitments would not be required for obligation purposes until 1977, thus allowing sufficient

lead time for obtaining such increased commitments. If, however, delay is encountered in obtaining such commitments, temporary or short term borrowings may be utilized to proceed with the construction schedule.

Under the terms of the Capital Contributions Agreement excess revenues of the Transit System are to be paid by the Authority to the local governments as a repayment of their Capital Contributions, except that there shall be paid to the Federal Government as a repayment of its Capital Contributions the amount of such excess revenues as shall be required by Federal law. Such repayments are to be made to the local governments in the same proportion as their respective Capital Contributions. It is estimated that such capital repayments to the local governments will aggregate approximately \$6,000,000 for 1980 and increase to over \$8,500,000 for 1990 and thereafter.

5. *Transit Revenue Bonds.* Part of the cost of the Transit System is to be financed by the issuance by the Authority of its Transit Revenue Bonds in an aggregate principal amount of \$880,000,000. There is to be funded from Bond proceeds the first four years of interest during construction on each installment of the Bonds and a bond reserve in an amount equal to the maximum annual interest payable on the Bonds. These Bonds and the interest thereon would be payable from and secured by the net revenues of the Transit System.

Under existing statutes interest on the Transit Revenue Bonds will be exempt from Federal income taxes. Under the Compact these Bonds and the interest thereon will also be exempt from all taxation by Maryland, Virginia or the District of Columbia, except for transfer, inheritance and estate taxes.

The Transit Revenue Bonds are to be issued in installments from time to time and mature in not to exceed 50 years from their respective dates. An outline of principal terms and conditions of the proposed Trust Indenture securing the Bonds is set forth in Exhibit C.

Notes or other short term obligations may also be issued by the Authority from time to time to temporarily finance costs of the Transit System. The Authority does not anticipate the issuance of any equipment trust certificates to finance the acquisition of rolling stock.

6. *Revenues and Operating Expenses.* Estimated gross revenues, operating expenses, depreciation and net revenues are shown for each fiscal year 1973-2030 in Exhibit B. Estimated revenues include service payments under the Transit Service Agreements with the local governments as well as fare box revenues. Such revenues, together with investment

income and other incidental revenues, are estimated to be sufficient in each year to maintain the projected level of operations of the Transit System and provide the necessary debt service coverage for the Authority's Transit Revenue Bonds. In the opinion of the Authority's financial consultants such debt service coverage (ratio of annual net revenues to annual debt service) must at least be equal to 1.30 in order for the Transit Revenue Bonds to be marketable at reasonable terms. Debt service and reserve requirements are shown in Exhibit E.

7. *Transit Service Agreements.* It is proposed that a Transit Service Agreement in substantially the form of Exhibit A hereto be entered into by the Authority with each local government. Under these Agreements each local government will make payments to the Authority in consideration of the transit service rendered to its residents. These service payments will provide the supplement to the fare box revenues of the Transit System which is required in order to maintain the projected level of operations and provide the debt service coverage needed to market the Transit Revenue Bonds. Such service payments will be based on: (1) ridership by residents and (2) train miles operated within the local governments. The annual payment of each local government for transit service, therefore, is contingent upon service being rendered and used. The charge for service will be 1-1/4¢ per resident rider and 20¢ per train mile. The Authority is to furnish estimates of ridership and train miles so as to enable each local government to include provision for its service payments in its annual budget for each year. Based on projected operations and traffic, service payments by the local governments are estimated to produce \$5,900,000 for 1980 and to increase to \$6.4 million annually by 1990. No service payments will be payable prior to the first full year of operations of the Transit System which is scheduled for 1980.

BE IT FURTHER RESOLVED, that the Board of Directors finds that the proper and timely performance of its functions requires that this Resolution be, and it is hereby, effective immediately.

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<u>Year</u>	<u>Gross Revenue</u>		<u>Operating Expenses</u>		<u>Net Revenue Before Depreciation</u>		<u>Net Revenue After Depreciation</u>	
					(Thousands of Dollars)			
2000	105,057	32,800	72,257	7,372	64,885			
1	105,595	32,800	72,795	7,410	65,385			
2	106,015	32,900	73,115	7,440	65,675			
3	106,435	32,900	73,535	7,470	66,065			
4	106,955	32,900	74,055	7,508	66,547			
5	107,374	33,000	74,374	7,538	66,836			
6	107,894	33,000	74,894	7,575	67,319			
7	108,314	33,100	75,214	7,605	67,609			
8	108,834	33,100	75,734	7,642	68,092			
9	109,255	33,100	76,155	7,672	68,483			
2010	109,775	33,200	76,575	7,710	68,865			
11	110,195	33,200	76,995	7,740	69,255			
12	110,709	33,300	77,409	7,778	69,631			
13	111,123	33,300	77,823	7,808	70,015			
14	111,636	33,400	78,236	7,845	70,391			
15	112,050	33,400	78,650	7,875	70,775			
16	112,464	33,400	79,064	7,905	71,159			
17	112,978	33,500	79,478	7,943	71,535			
18	113,392	33,500	79,892	7,973	71,919			
19	113,906	33,600	80,306	8,010	72,296			
2020	114,320	33,600	80,720	8,040	72,680			
21	114,734	33,600	81,134	8,070	73,064			
22	115,248	33,700	81,548	8,107	73,441			
23	115,662	33,700	81,962	8,138	73,824			
24	116,176	33,700	82,476	8,175	74,301			
25	116,591	33,800	82,791	8,205	74,586			
26	117,105	33,800	83,305	8,242	75,063			
27	117,519	33,900	83,619	8,273	75,346			
28	118,034	33,900	84,134	8,310	75,824			
29	118,448	33,900	84,548	8,340	76,208			
2030	<u>118,963</u>	<u>34,000</u>	<u>84,963</u>	<u>8,378</u>	<u>76,585</u>			
Total	<u>5,628,139</u>	<u>1,783,400</u>	<u>3,844,739</u>	<u>396,511</u>	<u>3,448,228</u>			

* * * * *

EXHIBIT C TO EXHIBIT I

GENERAL STATEMENT OF TERMS AND
CONDITIONS OF PROPOSED TRANSIT REVENUE
BOND TRUST INDENTURE

The Transit Revenue Bonds of the Authority will be secured by a Trust Indenture entered into by the Authority with a Trustee Bank pursuant to the provisions of the Compact.

The following is a general outline of the principal terms of the Trust Indenture.

Pledge of Revenues:

The revenues derived by the Authority from the operation of the Transit System, including service payments received by the Authority from the local governments under the Transit Service Agreements and investment income from funds held under the Indenture, are to be pledged to secure the payment of the principal or redemption price and the interest on the Transit Revenue Bonds in accordance with the terms of the Indenture subject only to the provisions of the Indenture governing the application of revenues to the purposes and on the terms and conditions set forth therein. The pledge created by the Indenture will be for the equal benefit, protection and security of all of the holders of Transit Revenue Bonds, regardless of the time or times of their issue or maturity.

Transit System Issue:

The Indenture will provide for the issuance of Transit Revenue Bonds in an aggregate principal amount equal to the estimated amount of capital to be provided by the Authority for the Transit System. The Indenture will also provide for the issuance by the Authority, upon compliance with certain financial restrictions, of additional Transit Revenue Bonds, if any, required to complete the Transit System in the event that the final cost thereof should exceed estimates.

Additional Transit Revenue Bonds:

The Indenture will also provide for the issuance by the Authority of additional Transit Bonds to finance improvements, additions or renewals or replacements for the Transit System. Such additional Bonds are to rank equally and ratably as to security and payment with the other Transit

Revenue Bonds. Such additional Bonds may be issued, however, only upon compliance with certain conditions to be specified in the Indenture, including earnings tests which will be designed to protect against dilution of the security of the holders of outstanding Transit Revenue Bonds.

Transit Revenue Refunding Bonds:

The Indenture will provide for the issuance by the Authority of Transit Revenue Refunding Bonds to refund outstanding Transit Revenue Bonds or other outstanding obligations of the Authority issued to finance the Transit System. These Refunding Bonds will rank equally and ratably as to security and payment with the other Transit Revenue Bonds. The Indenture will also provide certain financial conditions governing the issuance of such Refunding Bonds so as to protect the holders of outstanding Transit Revenue Bonds against dilution of their security.

Rate Covenant:

The Indenture will contain a *covenant* by the Authority to the effect that it will, insofar as practicable and consistent with the provisions of adequate service at reasonable fares, establish rates and collect fares for the service of the Transit System so as to provide revenues which, together with the service payments by the local governments and other incidental revenues, shall be sufficient, after payment of operating expenses of the Transit System, to provide a debt service coverage of at least 1.30 for the Transit Revenue Bonds.

Application of Revenues:

The Indenture will establish certain funds for the application of Revenues, including among others, a Revenue Fund, an Operating Fund, a Debt Service Fund, a Debt Service Reserve Fund, a Renewal and Replacement Fund, an Improvement Fund, and a Capital Repayment Fund.

As will be provided in the Indenture, revenues are to be paid into funds established by the Indenture in the order of priority and in the sums provided by the Indenture. Revenues, including service payments by the local governments, as collected and deposited in the Revenue Fund will first be used to meet operating expenses of the Transit System. Thereafter, revenues will be allocated to meet debt service and reserve requirements for the Transit Revenue Bonds, renewal and replacements and other purposes, as provided in the Indenture.

Excess revenues will be deposited in the Capital Repayment

Fund and paid to the Federal Government and the local governments as a repayment of their respective capital contributions for the Transit System.

Construction Fund:

The Indenture will establish a Construction Fund. The proceeds of Transit Revenue Bonds, to the extent not required to be deposited in the Debt Service Fund to provide for interest during construction and deposited in the Debt Service Reserve Fund, are to be deposited in the Construction Fund and applied to the cost of the Transit System.

Investment of Funds:

The Indenture will provide that monies held thereunder may be invested in certain securities, including obligations of the United States of America. Certain restrictions as to the maturities of such securities will be set forth in the Indenture.

Insurance:

The Authority will covenant under the Indenture that it will at all times maintain or cause to be maintained, to the extent reasonably obtainable, certain types of insurance with respect to the Transit System. The Indenture will also contain provisions regarding the application of insurance proceeds and other funds to reconstruct and repair the Transit System in the event of damage or destruction.

Other Bond Covenants:

The Indenture will contain various *covenants* by the Authority required to protect the interests of bond holders, including among others, those providing for (i) enforcement of the Capital Contributions Agreement, the Transit Service Agreements, and any agreement for the operation of the Transit System by a contractor, (ii) restrictions with respect to the creation of liens or the sale, lease or other disposition of all or part of the Transit System, (iii) the *employment* of a consulting engineer, (iv) the maintenance of books and records and the furnishing of periodic reports with respect to the Transit System, and (v) the operation and maintenance of the Transit System. In addition, the Indenture will also require that the Authority adopt an annual budget with regard to the operation and maintenance of the Transit System.

Amendment of the Indenture:

The Indenture will contain provisions for its amendments by supplemental indentures which may be entered into by the Authority with the Trustee with the consent of the holders of a specified percentage in principal amount of the Transit Revenue Bonds then outstanding. In addition, the Indenture will provide for certain amendments thereto which will not require the consent of the bond holders.

Remedies:

The Indenture will define Events of Default thereunder and will state the remedies of the Trustee and the bond holders in the event of an occurrence and continuation of such an Event of Default.

EXHIBIT D TO EXHIBIT I

CAPITAL CONTRIBUTIONS AGREEMENT

THIS AGREEMENT made this day of , 19 , by and between the Washington Metropolitan Area Transit Authority (hereinafter referred to as "Authority"), a body corporate and politic created by interstate compact between Maryland, Virginia and the District of Columbia, the Washington Suburban Transit District, a body corporate and politic created by law in Maryland, the District of Columbia, and Arlington County and Fairfax County, Virginia, and the Cities of Alexandria, Falls Church and Fairfax, Virginia (such Counties and Cities, together with the Washington Suburban Transit District and the District of Columbia, being hereinafter referred to, collectively, as "Political Subdivisions" and, individually, as a "Political Subdivision").

WITNESSETH:

WHEREAS, the Authority has been created by the Washington Metropolitan Area Transit Authority Compact as an instrumentality and agency of Maryland, Virginia and the District of Columbia to provide a regional transit system and service for the area described in such Compact as the Washington Metropolitan Area Transit Zone;

WHEREAS, the Authority in accordance with the provisions of Article VI of said Compact on March 1, 1968 adopted a Regional Rapid Rail Transit Plan and Program known as "Adopted Regional System-1968", and on February 7, 1969 adopted certain revisions to and otherwise refined,

the Adopted Regional System-1968, (hereinafter referred to as "Adopted Regional System-1968 (Revised)") which, among other things, specifies the facilities of such regional transit system to be acquired and constructed;

WHEREAS, the Authority in accordance with Article VII of said Compact on _____, 1969, adopted a plan for financing the construction and acquisition of such regional transit system and the operation thereof which was substituted for a financing plan adopted February 7, 1969, in order to conform to Virginia law;

WHEREAS, said financing plan adopted _____, 1969 proposes, among other things, that the presently estimated costs of construction and acquisition of such regional transit system, including administration expenses and other costs of the Authority related or incidental thereto, be financed by the issuance of \$ _____ transit revenue bonds of the Authority payable from revenues derived from such regional transit system and the payment of \$1,720,566,000 aggregate amount of capital contributions, approximately one-third or \$573,522,000 of which is to be contributed by the Political Subdivisions in the amounts set forth in this Agreement and the remaining two-thirds of \$1,147,044,000 is to be contributed by the Federal Government by capital contributions made during the construction period of such regional transit system; and

WHEREAS, the orderly development of such regional transit system requires that each of the Political Subdivisions shall agree to make its capital contributions as provided in this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and obligations hereinafter set forth, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

DEFINITIONS AND WARRANTIES

Section 1.1. The following terms shall for all purposes of this Agreement have the following meanings:

Capital Contributions shall mean, with respect to any Political Subdivision of the Federal Government, the amounts paid and to be paid by such Political Subdivision or the Federal Government as set forth in the Capital Receipts Schedule referred to in Section 3.2 as contributions to the capital required by the Authority for the construction and acquisition of the Transit System.

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Compact shall mean the Washington Metropolitan Area Transit Authority Compact entered into as an amendment to the Washington Metropolitan Area Transit Regulation Compact between the State of Maryland, the Commonwealth of Virginia and the District of Columbia and constituting Title III of said Washington Metropolitan Area Transit Regulation Compact, together with all amendments and supplements to said Title III which may hereafter be entered into in accordance with law.

Excess Revenues shall mean, for any Fiscal Year, revenues or other receipts of the Authority (other than the proceeds of Transit Bonds or notes or other evidences of indebtedness issued by the Authority to finance temporarily any capital costs or operating expenses relating to the Transit System, or any Capital Contributions received by the Authority with respect to the Transit System) derived during such Fiscal Year from or in connection with the ownership or operation of the Transit System remaining after there shall have been made all payments and deposits, including debt service, operating and maintenance expenses and deposits in funds and reserves, required or permitted by the terms of any contract of the Authority with or for the benefit of holders of its Transit Bonds or its notes or other evidences of indebtedness issued by the Authority to finance temporarily any capital costs or operating expenses relating to the Transit System, or otherwise determined by the Authority to be necessary or desirable for any purposes of the Transit System other than extensions thereof.

Fiscal Year shall mean any twelve month period commencing July 1 and ending June 30 of the next calendar year.

Initial Operation Date shall mean the first date on which the Transit System (exclusive of any extensions thereof authorized by amendment, revision or modification of the Regional Rapid Rail Transit Plan and Program of the Authority adopted March 1, 1968, as revised February 7, 1969) is to be substantially in full revenue service, as shall be determined by the Board of Directors of the Authority.

Transit Bonds shall mean bonds issued by the Authority to finance or refinance the Transit System.

Transit System shall mean the facilities, including all real and personal property and all rights, interests, property and appurtenances incidental thereto or used or useful in connection therewith, constructed or acquired by the Authority pursuant to Article II of this Agreement.

Section 1.2. The Authority and the Political Subdivisions each hereby represents and warrants that it has full power and authority to enter into and perform this Agreement.

ARTICLE II

CONSTRUCTION AND ACQUISITION OF
TRANSIT SYSTEM

Section 2.1. The Authority shall proceed with all practical dispatch to construct and acquire the Transit System substantially in accordance with Adopted Regional System-1968 (Revised), as the same may hereafter from time to time be altered, revised or amended in accordance with the Compact; provided, however, that the Authority shall not construct or be under any obligation to construct the facilities specified in any such revision, alteration, or amendment of Adopted Regional System-1968 (Revised) until and unless this Agreement is appropriately amended or other arrangements are made, which, in the opinion of the Authority, assure the availability of adequate funds to finance the Transit System substantially in accordance with Adopted Regional System-1968 (Revised) as so revised, altered or amended. No such revision, alteration or amendment which would reduce the facilities to be constructed in accordance with the Adopted Regional System-1968 (Revised) within any Political Subdivision (or in the case of the City of Fairfax and the City of Falls Church, reduce the facilities serving such Political Subdivision) shall be adopted without the consent of such Political Subdivision.

ARTICLE III

CAPITAL CONTRIBUTIONS BY POLITICAL
SUBDIVISIONS

SECTION 3.1. Each Political Subdivision shall contribute to the capital required by the Authority for the construction and acquisition of the Transit System by making Capital Contributions to the Authority in the amounts and on or before the times specified for such Political Subdivision in the Capital Receipts Schedule provided for in Section 3.2, as the same may be revised from time to time in accordance with said Section 3.2.

SECTION 3.2. There is appended to this Agreement as Schedule A, a Capital Receipts Schedule showing the amounts and due dates of the Capital Contributions to be made by each Political Subdivision under this Agreement, including those portions of the Capital Contributions of the Washington Suburban Transit District guaranteed by Prince George's County and Montgomery County, respectively, as

provided in the Guaranty Agreement attached hereto, and the estimated amounts and estimated dates of receipt of Capital Contributions to the Transit System by the Federal Government. The Authority retains the right to revise the Capital Receipts Schedule from time to time as may be necessary in the judgment of the Authority to provide the timely flow of funds necessary for the acquisition and construction of the Transit System; provided that (i) no such revision shall increase the aggregate amount of all the Capital Contributions required from any Political Subdivision without its written consent, (ii) no revision shall be made which would increase by more than 20% the amount (as set forth in the initial Capital Receipts Schedule attached to this Agreement) of the Capital Contribution to be made during any Fiscal Year by any Political Subdivision without its written consent, and (iii) no such revision which increases the amount or advances the due date of a Capital Contribution to be made by a Political Subdivision shall be effective with respect to such Political Subdivision unless the same is submitted to such Political Subdivision at least nine calendar months prior to the beginning of the fiscal year of such Political Subdivision in which such increased Capital Contribution is payable or such advanced due date occurs. Each and every revision by the Authority of the Capital Receipts Schedule shall be promptly transmitted to each Political Subdivision and such revision shall become part of the Capital Receipts Schedule under this Agreement.

SECTION 3.3. (a) It is understood and agreed that definitive net project costs for the Transit System will not be determined until the Transit System is completed and that, accordingly, the Capital Contributions provided for herein are based on estimates. In order to assure the availability of funds to finance project costs, it is hereby agreed that on a date five years after the start of construction of the Transit System, or July 1, 1974, whichever is the later date, the Capital Contributions required from each Political Subdivision will be recomputed. Such recomputation shall be made by the Authority by computing the local share (one-third) of the net project costs of the Transit System, as then estimated by the Authority, and applying thereto the formulae attached hereto on Schedule B utilizing the then latest available information for the formulae factors, as obtained by the Authority.

(b) In the event that such recomputation establishes that the commitment of a Political Subdivision (the Capital Contributions of such Political Subdivision paid or to become due) pursuant to Section 3.1 exceeds its allocable share of

said local share of net project costs resulting from such recomputation, then no adjustment shall be made at that time to its commitment.

(c) In the event that such recomputation establishes that a Political Subdivision's allocable share of said local share of net project costs resulting from the recomputation exceeds its commitment made pursuant to Section 3.1, then such excess shall be allocated to such Political Subdivision.

(d) The Authority shall make subsequent recomputations from time to time and at least every two years and it shall make each such recomputation by computing said local share of net project costs as then estimated by it and by determining each Political Subdivision's allocable share thereof by applying the same percentage of said local share of net project costs as shall have resulted from the computation under the formulae made pursuant to paragraph (a) above.

(e) In the event that any such further recomputation establishes that said local share of net project costs is greater than the sum of the commitments made pursuant to Section 3.1 as the same may have been modified pursuant to said Section 3.1 or paragraph (h) of this Section 3.3, then any such excess shall be allocated in the same manner as provided in paragraph (c) hereof.

(f) In the event that any such further recomputation establishes that said local share of net project costs is less than the sum of the commitments made pursuant to Section 3.1, as the same may have been modified pursuant to said Section 3.1 or paragraph (h) of this Section 3.3, no adjustment shall be made at that time of the commitment of any Political Subdivision under Section 3.1. Notwithstanding anything to the contrary in this Agreement contained, no Political Subdivision shall be required to pay Capital Contributions pursuant to Section 3.1 in an amount in excess of its allocable share of said local share of net project costs as then recomputed pursuant to this Section 3.3.

(g) If, upon such a recomputation which shall be made as provided in paragraph (d) above after definitive net project costs shall have been determined, such local share of net project costs is less than the aggregate amount of Capital Contributions paid by all the Political Subdivisions pursuant to Section 3.1, then the amount of such excess payments shall be refunded to each such Political Subdivision in the ratio that the Capital Contributions paid by such Political Subdivision pursuant to Section 3.1 bears to the total Capital Contributions paid by all Political Subdivisions pursuant to Section 3.1.

(h) In the case of the allocation of any excess pursuant

to paragraph (c) or (e) above to one or more Political Subdivisions, each such Political Subdivision hereby pledges to each other Political Subdivision and to the Authority its faithful cooperation and best efforts to obtain all authorizations required by law to provide the increase in its Capital Contributions resulting from such allocation. If and when such Political Subdivision shall have obtained all such authorizations the amount of the Capital Contributions payable by each such Political Subdivision pursuant to Section 3.1 shall be increased by the amount so allocated to such Political Subdivision and the Capital Receipts Schedule shall be revised by the Authority accordingly.

(i) Each recomputation pursuant to this Section 3.3 and any resulting allocation of increases and refunds of Capital Contributions shall include and set forth the portions of any such increase or refund of the Capital Contributions of the Washington Suburban Transit District allocable to Prince George's County and Montgomery County, respectively, as provided in the Guaranty Agreement attached hereto.

SECTION 3.4. As soon as practicable after the end of each Fiscal Year during the acquisition and construction of the Transit System, the Authority shall furnish each Political Subdivision with a progress report showing the progress made during such Year in such acquisition and construction and the amounts expended therefor.

SECTION 3.5. With the written consent of the Authority, any Political Subdivision may satisfy its obligation under this Agreement to make Capital Contributions, in whole or in part, by the transfer to the Authority of real property and such real property shall be valued at its market value as of the time of the transfer. In the event the contributing Political Subdivision and the Authority do not agree on the value to be assigned to the real property to be contributed, such value shall be determined by an independent valuation of the property made by an appraiser acceptable to both the contributing Political Subdivision and the Authority. Such valuation shall be in accordance with terms and conditions agreeable to the contributing Political Subdivision and the Authority and shall be binding on them. The cost of such appraisal shall be borne equally by the Authority and the contributing Political Subdivision.

SECTION 3.6. The Authority shall at all times take all reasonable measures permitted by the Compact or otherwise by law to collect and enforce prompt payment to or for its account of all Capital Contributions to be made by each Political Subdivision in accordance with this Agreement. If

any Capital Contribution or part thereof due to the Authority from any Political Subdivision shall remain unpaid after its due date, such Political Subdivision shall be charged with and shall pay to the Authority interest on the amount unpaid from its due date until paid, at the rate of 6% per annum.

SECTION 3.7. The liability of the Political Subdivisions to make Capital Contributions under this Agreement shall be several and not joint and shall be limited to the Capital Contributions to be made by each Political Subdivision pursuant to this Article.

ARTICLE IV

REPAYMENT OF CAPITAL CONTRIBUTIONS

SECTION 4.1. As soon as practicable after the end of each Fiscal Year, beginning with the Fiscal Year next succeeding the Fiscal Year in which the Initial Operation Date shall occur, any Excess Revenues shall be allocated among the Political Subdivisions, as a repayment of their Capital Contributions, by paying to each Political Subdivision that portion of such Excess Revenues which bears the same ratio to the total of such Excess Revenues as the aggregate amount of the Capital Contributions made by such Political Subdivision bears to the aggregate amount of all capital Contributions made by the Political Subdivisions; provided however, that there shall be deducted from such Excess Revenues and paid over to the Federal Government, as a repayment of its Capital Contributions, that amount required to be so paid therefrom by Federal law in force and effect upon the effective date of this Agreement. Such payment shall be accompanied by an appropriate accounting by the Authority showing the computation of such Excess Revenues and the allocation thereof in accordance with this Section, including the allocation of any such payment made to the Washington Suburban Transit District between Montgomery County and Prince George's County as provided in Section 4 of the Guaranty Agreement attached hereto.

ARTICLE V

MISCELLANEOUS

SECTION 5.1. It is expressly understood and agreed that the obligations of the parties under this Agreement are conditioned upon and subject to the enactment into law during

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the 91st Congress of Federal legislation authorizing the District of Columbia to enter into this Agreement and authorizing the appropriations for (or appropriating) all the Capital Contributions to be made by the District of Columbia as set forth in this Agreement and Federal legislation which authorizes the appropriations for (or appropriates) all the Capital Contributions to be made by the Federal Government as set forth in the Capital Receipts Schedule.

SECTION 5.2. This Agreement shall be in full force and effect and be legally binding upon the Authority and upon all of the Political Subdivisions upon its execution and delivery by the Authority and each Political Subdivision and the execution and delivery of the Guaranty Agreement attached hereto.

SECTION 5.3. This Agreement shall be executed in twelve counterparts, and all such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

Washington Metropolitan Area
Transit Authority

By.....

(SEAL)
Attest:

.....

Washington Suburban Transit
District

By.....

(Seal)
Attest:

.....

(Seal)
Attest:

.....

District of Columbia

By.....

(Seal)
Attest:

.....

Arlington County

By.....

(Seal)
Attest:

.....

Fairfax County

By.....

(Seal)
Attest:

.....

City of Alexandria

By.....

(Seal)
Attest:

.....

City of Falls Church

By.....

(Seal)
Attest:

.....

City of Fairfax

By.....

(Seal)
Attest:

.....

SCHEDULE A

CAPITAL RECEIPTS SCHEDULE

(Thousands of Dollars)

Fiscal Year	Federal Government	District of Columbia	Washington Suburban Transit District			Arlington County	Fairfax City	Fairfax County	Falls Church	Total Local Capital Contribution
			Total	Montgomery	Prince Georges					
Prior to 1970	\$ 56,800	\$ 23,400	—	—	—	—	—	—	\$ 23,400	
1970	126,112	22,880	23,258	12,800	10,458	5,917	288	6,809	63,056	
1971	180,688	34,300	31,386	17,820	13,566	9,062	436	10,353	90,344	
1972	188,011	35,303	33,334	18,679	14,655	9,137	442	10,472	94,005	
1973	174,321	32,738	30,907	17,319	13,588	8,472	410	9,710	87,161	
1974	131,181	24,636	23,258	13,033	10,225	6,375	308	7,307	65,590	
1975	90,360	16,970	16,021	8,977	7,044	4,392	212	5,033	45,180	
1976	68,024	12,775	12,060	6,758	5,302	3,306	160	3,789	34,012	
1977	90,059	693	25,178	14,112	11,066	6,903	333	7,910	45,029	
1978	41,488	—	1,598	902	696	436	11	512	20,745 ^(a)	
Total	\$1,147,044	\$208,700	\$197,000	\$110,400	\$86,600	\$54,000	\$2,600	\$61,900	\$573,522^(b)	

(a) Local Capital Contributions shall be made in equal installments on July 1 and January 1 in each Fiscal Year.

(b) Includes \$17,922,000 not presently committed or allocated. Such allocation shall be made in accordance with Section 3.3.

* * * * *

SCHEDULE B

FORMULA

The formula for allocations among the District of Columbia, Maryland and Virginia, signatories to the Compact, of the local share of the net project costs of the Transit System shall be as follows:

Factor	Weight Given to Factor After Computation
(1) Proportion that the estimated construction cost computed on a 1967 base within each signatory's area bears to the total estimated construction cost*	40%
(2) Proportion that service provided, as measured by estimated 1990 train miles and number of stations within each signatory's area, bears to the total service provided*	30%
(3) Proportion that the estimated 1990 ridership originated in each signatory's area bears to the total estimated system ridership for 1990	15%
(4) Proportion that the estimated population of each signatory's area in 1990 bears to the total estimated population of the Transit Zone for 1990	15%

*For the purpose of computing the ratios in Factors (1) and (2), costs attributable to the central employment area or Modified Sector Zero portion of the system, defined as follows, are to be excluded:

Modified Sector Zero, the central employment area, is bounded on the north by L Street, N.W. and N.E.; on the east by First Street, N.E. and S.E.; on the south by the Southwest Freeway to the vicinity of Sixth Street, SW., thence southwesterly across the Potomac River to the D. C.-Virginia Boundary, thence westerly to and including the Pentagon; on the west by a line from the Pentagon to the intersection of Wilson Boulevard and Fort Myer Drive; thence easterly across the Potomac River to Rock Creek, thence northerly along Rock Creek to L Street, N.W.

SUBALLOCATION FORMULAE

The suballocation formulae for distribution of the Maryland and Virginia shares of local net project costs, shall be the formulae adopted by the Washington Suburban Transit Commission and the Northern Virginia Transportation Commission, respectively, as follows:

A. The Washington Suburban Transit Commission adopted the formula set forth above, including the weight given to each factor, for allocation of the Maryland share of local net project costs between Montgomery and Prince George's Counties.

B. The Northern Virginia Transportation Commission also adopted the formula set forth above for allocation of the Virginia share of local net project costs among Arlington and Fairfax Counties, and the Cities of Fairfax, Alexandria and Falls Church. However, the weight given to each factor comprising the formula was established by the Northern Virginia Transportation Commission for purposes of the Virginia suballocation at 25% for each factor.

Year	Bonds Issued	Bonds out- standing	Interest at 5%	Bond Service Requirements	
				Principal	Total
(a)					
1972	137000.	137000.	0.	0.	0.
1973	137000.	274000.	0.	0.	0.
1974	137000.	411000.	0.	0.	0.
1975	137000.	548000.	0.	0.	0.
1976	137000.	685000.	6850.	0.	6850.
1977	137000.	822000.	13700.	0.	13700.
1978	76000.	898000.	20300.	0.	20300.
1979	0.	830000.	25900.	0.	25900.
1980	0.	860000.	33000.	0.	33000.
1981	0.	880000.	40000.	0.	40000.
1982	0.	820000.	44000.	0.	44000.
1983	0.	800000.	51000.	1057.	51057.
1984	0.	78553.	43948.	2677.	46625.
1985	0.	77591.	42345.	5255.	47599.
1986	0.	77555.	42683.	4582.	47265.
1987	0.	76353.	42668.	5390.	48058.
1988	0.	863853.	43193.	6835.	50028.
1989	0.	357017.	52851.	811.	53662.
1990	0.	263858.	52663.	9873.	53646.
1991	0.	371374.	47810.	10917.	58727.
1992	0.	323331.	61667.	12516.	54183.
1993	0.	313777.	56961.	13629.	50590.
1994	0.	267675.	79245.	11175.	52071.
1995	0.	30491.	12263.	12212.	50021.
1996	0.	783541.	3919.	12221.	50021.
1997	0.	733917.	35201.	11100.	50021.
1998	0.	737792.	37177.	11561.	50021.
1999	0.	763863.	37170.	12061.	50021.
2000	0.	760567.	35327.	12361.	50021.
2001	0.	742753.	35552.	12773.	50021.
2002	0.	690300.	34629.	13202.	50021.
2003	0.	670224.	33511.	13652.	50021.
2004	0.	651175.	32374.	14104.	50021.
2005	0.	632322.	31211.	14567.	50021.
2006	0.	613630.	30024.	15041.	50021.
2007	0.	595103.	28821.	15522.	50021.
2008	0.	576741.	27602.	16011.	50021.
2009	0.	558599.	26369.	16501.	50021.
2010	0.	540671.	25124.	17000.	50021.
2011	0.	522941.	23867.	17509.	50021.
2012	0.	505411.	22617.	18028.	50021.
2013	0.	488077.	21372.	18557.	50021.
2014	0.	470933.	20137.	19096.	50021.
2015	0.	453979.	18912.	19645.	50021.
2016	0.	437215.	17707.	20204.	50021.
2017	0.	420641.	16522.	20773.	50021.
2018	0.	404257.	15357.	21352.	50021.
2019	0.	388063.	14222.	21941.	50021.
2020	0.	372059.	13117.	22540.	50021.
2021	0.	356245.	12042.	23149.	50021.
2022	0.	340621.	11007.	23768.	50021.
2023	0.	325187.	10012.	24397.	50021.
2024	0.	309943.	9057.	25036.	50021.
2025	0.	294879.	8142.	25685.	50021.
2026	0.	279995.	7267.	26344.	50021.
2027	0.	265281.	6432.	27013.	50021.
Totals	339950.		1350802.	366000.	2330602.

- Notes: (a) Interest is paid from bond proceeds for first four years of each issue.
 (b) Includes annual service payments from local jurisdictions commencing in 1976.
 (c) Net of interest earned on accumulated depreciation reserve.
 (d) Equals bond service in following year.
 (e) Equals one year's coupon interest.
 (f) Applied to meet a portion of construction obligations in following year.
 (g) Distributed in 1991.

Detailed Calculation of Revenue Needs to be Issued Per Adopted Regional System

(Dollar amounts in thousands)

Fiscal Year	Estimated Total Available for Bond Service before Depreciation	Estimated Times Bond Service Covered	Est. net revenues available for depreciation & bond reserve	Depreciation (c)	Bond Reserve Needs				Distribution	
					Payments from Revenue	Payments from Bond Proceeds	Estimated excess net revenues	To local jurisdictions	To Federal government	
1960	0.	0.	-1000.	0.	0.	0.	0.	0.	0.	0.
1961	0.	0.	5300.	0.	0.	0.	0.	0.	0.	0.
1962	0.	0.	6300.	1132.	0.	0.	0.	0.	0.	0.
1963	0.	0.	29400.	2915.	0.	0.	0.	0.	0.	0.
1964	754.	0.	29354.	3104.	0.	0.	0.	0.	0.	0.
1965	1507.	0.	29007.	3555.	0.	0.	0.	0.	0.	0.
1966	2253.	0.	29453.	4133.	0.	0.	0.	0.	0.	0.
1967	2950.	0.	63750.	5026.	0.	0.	0.	0.	0.	0.
1968	3635.	0.	47335.	5577.	0.	0.	0.	0.	0.	0.
1969	4411.	0.	55397.	6354.	0.	0.	0.	0.	0.	0.
1970	4840.	1.33	58581.	6133.	0.	0.	0.	0.	0.	0.
1971	4977.	1.33	59391.	6065.	0.	0.	0.	0.	0.	0.
1972	4951.	1.33	61206.	6135.	0.	0.	0.	0.	0.	0.
1973	5029.	1.33	63317.	6304.	0.	0.	0.	0.	0.	0.
1974	5099.	1.33	63400.	6355.	0.	0.	0.	0.	0.	0.
1975	5113.	1.33	65127.	6470.	0.	0.	0.	0.	0.	0.
1976	5172.	1.33	66550.	6510.	0.	0.	0.	0.	0.	0.
1977	5226.	1.33	67455.	6544.	0.	0.	0.	0.	0.	0.
1978	5275.	1.33	68043.	6575.	0.	0.	0.	0.	0.	0.
1979	5321.	1.33	68807.	6603.	0.	0.	0.	0.	0.	0.
1980	5351.	1.33	69743.	6629.	0.	0.	0.	0.	0.	0.
1981	5371.	1.33	70743.	6653.	0.	0.	0.	0.	0.	0.
1982	5381.	1.33	71807.	6675.	0.	0.	0.	0.	0.	0.
1983	5381.	1.33	72935.	6695.	0.	0.	0.	0.	0.	0.
1984	5381.	1.33	74127.	6713.	0.	0.	0.	0.	0.	0.
1985	5381.	1.33	75383.	6729.	0.	0.	0.	0.	0.	0.
1986	5381.	1.33	76703.	6743.	0.	0.	0.	0.	0.	0.
1987	5381.	1.33	78095.	6755.	0.	0.	0.	0.	0.	0.
1988	5381.	1.33	79557.	6765.	0.	0.	0.	0.	0.	0.
1989	5381.	1.33	81089.	6773.	0.	0.	0.	0.	0.	0.
1990	5381.	1.33	82691.	6779.	0.	0.	0.	0.	0.	0.
1991	5381.	1.33	84363.	6783.	0.	0.	0.	0.	0.	0.
1992	5381.	1.33	86105.	6785.	0.	0.	0.	0.	0.	0.
1993	5381.	1.33	87917.	6786.	0.	0.	0.	0.	0.	0.
1994	5381.	1.33	89799.	6786.	0.	0.	0.	0.	0.	0.
1995	5381.	1.33	91751.	6785.	0.	0.	0.	0.	0.	0.
1996	5381.	1.33	93773.	6783.	0.	0.	0.	0.	0.	0.
1997	5381.	1.33	95865.	6780.	0.	0.	0.	0.	0.	0.
1998	5381.	1.33	98027.	6776.	0.	0.	0.	0.	0.	0.
1999	5381.	1.33	100259.	6771.	0.	0.	0.	0.	0.	0.
2000	5381.	1.33	102461.	6765.	0.	0.	0.	0.	0.	0.
2001	5381.	1.33	104733.	6758.	0.	0.	0.	0.	0.	0.
2002	5381.	1.33	107075.	6750.	0.	0.	0.	0.	0.	0.
2003	5381.	1.33	109487.	6741.	0.	0.	0.	0.	0.	0.
2004	5381.	1.33	111969.	6731.	0.	0.	0.	0.	0.	0.
2005	5381.	1.33	114521.	6720.	0.	0.	0.	0.	0.	0.
2006	5381.	1.33	117143.	6708.	0.	0.	0.	0.	0.	0.
2007	5381.	1.33	119835.	6696.	0.	0.	0.	0.	0.	0.
2008	5381.	1.33	122597.	6683.	0.	0.	0.	0.	0.	0.
2009	5381.	1.33	125429.	6670.	0.	0.	0.	0.	0.	0.
2010	5381.	1.33	128331.	6657.	0.	0.	0.	0.	0.	0.
2011	5381.	1.33	131303.	6644.	0.	0.	0.	0.	0.	0.
2012	5381.	1.33	134345.	6631.	0.	0.	0.	0.	0.	0.
2013	5381.	1.33	137457.	6618.	0.	0.	0.	0.	0.	0.
2014	5381.	1.33	140639.	6605.	0.	0.	0.	0.	0.	0.
2015	5381.	1.33	143891.	6592.	0.	0.	0.	0.	0.	0.
2016	5381.	1.33	147213.	6579.	0.	0.	0.	0.	0.	0.
2017	5381.	1.33	150615.	6566.	0.	0.	0.	0.	0.	0.
2018	5381.	1.33	154097.	6553.	0.	0.	0.	0.	0.	0.
2019	5381.	1.33	157659.	6540.	0.	0.	0.	0.	0.	0.
2020	5381.	1.33	161301.	6527.	0.	0.	0.	0.	0.	0.
2021	5381.	1.33	165023.	6514.	0.	0.	0.	0.	0.	0.
2022	5381.	1.33	168835.	6501.	0.	0.	0.	0.	0.	0.
2023	5381.	1.33	172737.	6488.	0.	0.	0.	0.	0.	0.
2024	5381.	1.33	176729.	6475.	0.	0.	0.	0.	0.	0.
2025	5381.	1.33	180811.	6462.	0.	0.	0.	0.	0.	0.
2026	5381.	1.33	184983.	6449.	0.	0.	0.	0.	0.	0.
2027	5381.	1.33	189245.	6436.	0.	0.	0.	0.	0.	0.
2028	5381.	1.33	193597.	6423.	0.	0.	0.	0.	0.	0.
2029	5381.	1.33	198039.	6410.	0.	0.	0.	0.	0.	0.
2030	5381.	1.33	202571.	6397.	0.	0.	0.	0.	0.	0.
2031	5381.	1.33	207203.	6384.	0.	0.	0.	0.	0.	0.
2032	5381.	1.33	211935.	6371.	0.	0.	0.	0.	0.	0.
2033	5381.	1.33	216767.	6358.	0.	0.	0.	0.	0.	0.
2034	5381.	1.33	221709.	6345.	0.	0.	0.	0.	0.	0.
2035	5381.	1.33	226761.	6332.	0.	0.	0.	0.	0.	0.
2036	5381.	1.33	231923.	6319.	0.	0.	0.	0.	0.	0.
2037	5381.	1.33	237195.	6306.	0.	0.	0.	0.	0.	0.
2038	5381.	1.33	242577.	6293.	0.	0.	0.	0.	0.	0.
2039	5381.	1.33	248069.	6280.	0.	0.	0.	0.	0.	0.
2040	5381.	1.33	253671.	6267.	0.	0.	0.	0.	0.	0.
2041	5381.	1.33	259383.	6254.	0.	0.	0.	0.	0.	0.
2042	5381.	1.33	265205.	6241.	0.	0.	0.	0.	0.	0.
2043	5381.	1.33	271137.	6228.	0.	0.	0.	0.	0.	0.
2044	5381.	1.33	277179.	6215.	0.	0.	0.	0.	0.	0.
2045	5381.	1.33	283331.	6202.	0.	0.	0.	0.	0.	0.
2046	5381.	1.33	289593.	6189.	0.	0.	0.	0.	0.	0.
2047	5381.	1.33	295965.	6176.	0.	0.	0.	0.	0.	0.
2048	5381.	1.33	302447.	6163.	0.	0.	0.	0.	0.	0.
2049	5381.	1.33	309039.	6150.	0.	0.	0.	0.	0.	0.
2050	5381.	1.33	315741.	6137.	0.	0.	0.	0.	0.	0.
2051	5381.	1.33	322553.	6124.	0.	0.	0.	0.	0.	0.
2052	5381.	1.33	329475.	6111.	0.	0.	0.	0.	0.	0.
2053	5381.	1.33	336507.	6098.	0.	0.	0.	0.	0.	0.
2054	5381.	1.33	343649.	6085.	0.	0.	0.	0.	0.	0.
2055	5381.	1.33	350901.	6072.	0.	0.	0.	0.	0.	0.
2056	5381.	1.33	358263.	6059.	0.	0.	0.	0.	0.	0.
2057	5381.	1.33	365735.	6046.	0.	0.	0.	0.	0.	0.
2058	5381.	1.33	373317.	6033.	0.	0.	0.	0.	0.	0.
2059	5381.	1.33	381009.	6020.	0.	0.	0.	0.	0.	0.
2060	5381.	1.33	388811.	6007.	0.	0.	0.	0.	0.	0.
2061	5381.	1.33	396723.	5994.	0.	0.	0.	0.	0.	0.
2062	5381.	1.33	404745.	5981.	0.	0.	0.	0.	0.	0.
2063	5381.	1.33	412877.	5968.	0.	0.	0.	0.	0.	0.
2064	5381.	1.33	421119.	5955.	0.	0.	0.	0.	0.	0.
2065	5381.	1.33	429471.	5942.	0.	0.	0.	0.	0.	0.
2066	5381.	1.33	437933.	5929.	0.	0.	0.	0.	0.	0.
2067	5381.	1.33	446505.	5916.	0.	0.	0.	0.	0.	0.
2068	5381.	1.33	455187.	5903.	0.	0.	0.	0.	0.	0.
2069	5381.	1.33	463979.	5890.	0.	0.	0.	0.	0.	0.
2070	5381.	1.33	472881.	5877.	0.	0.	0.	0.	0.	0.
2071	5381.	1.33	481893.	5864.	0.	0.	0.	0.	0.	0.
2072	5381.	1.33	491015.	5851.	0.	0.	0.	0.	0.	0.
2073	5381.	1.33	500247.	5838.	0.	0.	0.	0.	0.	0.
2074	5381.	1.33	509589.	5825.	0.	0.	0.	0.	0.	0.
2075	5381.	1.33	519041.	5812.	0.	0.	0.	0.	0.	0.
2076	5381.	1.33	528603.	5800.	0.	0.	0.	0.	0.	0.
2077	5381.	1.33	538275.	5787.	0.	0.	0.	0.	0.	0.
2078	5381.	1.33	548057.	5774.	0.	0.	0.	0.	0.	0.
2079	5381.	1.33	557949.	5761.	0.	0.	0.	0.	0.	0.
2080	5381.	1.33	567951.	5748.	0.	0.	0.	0.	0.	0.
2081	5381.	1.33	578063.	5735.	0.	0.	0.	0.	0.	0.
2082	5381.	1.33	588285.	5722.	0.	0.	0.	0.	0.	0.
2083	5381.	1.33	598617.	5709.	0.	0.	0.	0.	0.	0.
2084	5381.	1.33	609059.	5696.	0.	0.	0.	0.	0.	0.
2085	5381.	1.33	619611.	5683.	0.	0.	0.	0.	0.	0.
2086	5381.	1.33	630273.	5670.	0.	0.	0.	0.	0.	0.
2087	5381.	1.33	641045.	5657.	0.	0.	0.	0.	0.	0.
2088	5381.	1.33	651927.	5644.	0.	0.	0.	0.	0.	0.
2089	5381.	1.33	662919.	5631.	0.	0.	0.	0.	0.	0.
2090	5381.	1.33	674021.	5618.	0.	0.	0.	0.	0.	0.
2091	5381.	1.33	685233.	5605.	0.	0.	0.	0.	0.	0.
2092	5381.	1.33	696555.	5592.	0.	0.	0.	0.	0.	0.
2093	5381.	1.33	708087.	5579.	0.	0.	0.	0.	0.	0.
2094	5381.	1.33	719829.	5566.	0.	0.	0.	0.	0.	0.
2095	5381.	1.33	731681.	5553.	0.	0.	0.	0.	0.	0.
2096	5381.	1.33	743643.	5540.	0.	0.	0.	0.	0.	0.
2097	5381.	1.33	75571							

EXHIBIT II TO PETITION

TRANSIT SERVICE AGREEMENT

THIS AGREEMENT made this day of
19 by and between the WASHINGTON METROPOLITAN
AREA TRANSIT AUTHORITY (hereinafter referred to
as "Authority"), a body corporate and politic created by
interstate compact between Maryland, Virginia and the Dis-
trict of Columbia, and FAIRFAX COUNTY, Virginia (here-
inafter referred to as the "County").

WITNESSETH:

WHEREAS, the Authority has been created by the Wash-
ington Metropolitan Area Transit Authority Compact as an
instrumentality and agency of Maryland, Virginia and the
District of Columbia, to provide a regional transit system
and service for the area described in such Compact as the
Washington Metropolitan Area Transit Zone (hereinafter
referred to as "Zone");

WHEREAS, the Authority in accordance with the pro-
visions of Article VI of said Compact on March 1, 1968
adopted a Regional Rapid Rail Transit Plan and Program
known as "Adopted Regional System-1968", and on Feb-
ruary 7, 1969 adopted certain revisions to, and otherwise
refined, the Adopted Regional System-1968 which, among
other things, specifies the facilities of such regional transit
system to be acquired and constructed (hereinafter referred
to as "Adopted Regional System-1968 (Revised)");

WHEREAS, Articles VII of the Compact declares the
policy that ". . . as far as possible, the payment of all costs
shall be borne by the persons using or benefiting from the
Authority's facilities and services and any remaining costs
shall be equitably shared among the federal, District of Co-
lumbia and participating local governments in the Zone";

WHEREAS, each of the participating local governments
including the District of Columbia and the residents thereof
will derive substantial benefits from the service to be pro-
vided by such regional transit system;

WHEREAS, the Authority in accordance with Article VII
of said Compact on , 1969 adopted a plan for finan-
cing the construction and acquisition of such regional transit
system and the operation thereof which was substituted for
a financing plan adopted February 7, 1969, in order to con-
form to Virginia law;

WHEREAS, said financing plan adopted _____, 1969 proposes, among other things, that contracts for transit service be entered into by the Authority with the County and each of the other participating local governments within the Zone including the District of Columbia;

WHEREAS, engineering, financial and other technical studies indicate that in order to produce revenues sufficient to meet costs of such regional transit system and provide for the financing thereof by the Authority on reasonable terms, the participating local governments in the Zone including the District of Columbia must pay the Authority for the service to be provided by such transit system;

NOW, THEREFORE, in consideration of the mutual promises and obligations hereinafter set forth, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

DEFINITIONS AND WARRANTIES

SECTION 1.1. The following terms shall for all purposes of this Agreement have the following meanings:

Capital Contributions Agreement shall mean the agreement dated _____, 19____ by and between the Authority and the Political Subdivisions, as the same may hereafter be amended or revised, providing for contributions by the Political Subdivisions and the Federal Government to the capital required by the Authority for the acquisition and construction of the Transit System.

Compact shall mean the Washington Metropolitan Area Transit Authority Compact entered into as an amendment to the Washington Metropolitan Area Transit Regulation Compact between the State of Maryland, the Commonwealth of Virginia and the District of Columbia and constituting Title III of said Washington Metropolitan Area Transit Regulation Compact, together with all amendments and supplements to said Title III which may hereafter be entered into in accordance with law.

Fiscal Year shall mean any twelve month period commencing July 1 and ending June 30 of the next calendar year.

Initial Operation Date shall mean the first date on which the Transit System (exclusive of any extensions thereof authorized by amendment, revision or modification of the Regional Rapid Rail Transit Plan and Program of the Authority adopted March 1, 1968, as revised February 7, 1969) is to be substantially in full revenue service, as shall be determined by the Board of Directors of the Authority.

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Modified Sector Zero shall mean that portion of the Transit System forming the central employment area and shall be bounded on the north by L Street, N. W. and N. E.; on the east by First Street, N. E. and S. E.; on the south by the Southwest Freeway to the vicinity of Sixth Street, S. W., thence southwesterly across the Potomac River to the District of Columbia—Virginia Boundary, thence westerly to and including the Pentagon; on the west by a line from the Pentagon to the intersection of Wilson Boulevard and Fort Myer Drive; thence easterly across the Potomac River to Rock Creek, thence northerly along Rock Creek to L Street, N. W.

Political Subdivisions shall mean the following local governments in the Zone: the District of Columbia, the Washington Suburban Transit District (a body corporate and politic created by law in Maryland), Arlington County and Fairfax County, Virginia, and the Cities of Alexandria, Falls Church and Fairfax, Virginia.

Revenues shall mean (i) all fees, rents, charges and revenues derived from the operation of the Transit System, including all service payments made by the Political Subdivisions; (ii) the proceeds of any business interruption insurance with respect to the Transit System, and (iii) interest received on moneys or securities in funds or accounts held by the Authority in connection with its ownership or operation of the Transit System (other than funds or accounts for the deposit of the proceeds of any bonds or notes issued to finance the acquisition and construction of the Transit System or capital contributions for the acquisition and construction of the Transit System).

Service Payment shall mean, for any Fiscal Year, the amount to be paid by the County for such Fiscal Year pursuant to Section 3.1.

Train Miles shall mean, for any Fiscal Year and with respect to any Political Subdivision, the total number of miles travelled in revenue service by all trains of the Transit System during such Fiscal Year within the boundaries of such Political Subdivision.

Transit Bonds shall mean bonds issued by the Authority to finance or refinance the Transit System.

Transit Plan and Program shall mean the Regional Rapid Rail Transit Plan and Program set forth in the resolution of the Authority adopted on March 1, 1968 as revised and refined by resolution of the Authority adopted on February 7, 1969 and Annexes I, II and III to such resolution, known as "Adopted Regional System—1968 (Revised)", together

with all amendments, revisions and modifications of such Plan and Program which may hereafter be adopted by the Authority in accordance with the Compact.

Transit Service shall mean that service provided by the Transit System.

Transit System shall mean the facilities constructed or acquired or to be constructed or acquired by the Authority substantially in accordance with the Transit Plan and Program, including all real and personal property and all rights, interests, property and appurtenances incidental thereto or used or useful in connection therewith.

Transit Trip shall mean, with respect to a resident of the County, the use of the Transit System by such resident to travel from one place in the Zone to another.

SECTION 1.2. The Authority and the County each hereby represents and warrants that it has full power and authority to enter into and perform this Agreement.

ARTICLE II

TRANSIT SERVICE AND SERVICE REVIEW COMMITTEE

SECTION 2.1. The Authority shall cause the Transit System to be operated so as to provide, as nearly as practicable, Transit Service to the County beginning with the first day of the Fiscal Year next succeeding the Initial Operation Date and ending June 30, 2040 at the rates and fares and in accordance with the procedures, schedules and standards of service set forth in the annual determination by the Board of Directors of the Authority pursuant to Section 2.4, as such determination may be modified from time to time in accordance with said Section 2.4. Prior to the Fiscal Year next *succeeding* the Initial Operation Date the Authority shall cause Transit Service to be provided over those portions of the Transit System which have been completed and put in revenue service, as it shall at any time and from time to time determine to be practicable and feasible.

SECTION 2.2. As soon as practicable in each Fiscal Year, beginning with the Fiscal Year in which the Initial Operation Date is to occur, the Authority shall complete a review of its rate and fare structure and its procedures, schedules and standards of service with respect to the Transit System. Such review shall include, with respect to the County estimates of:

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- (i) the number of Transit Trips by residents of the County during the ensuing Fiscal Year; and
- (ii) the number of Train Miles to be provided within the County during the ensuing Fiscal Year.

SECTION 2.3. A Service Review Committee shall be established to consist of the chief executive officer (or his nominee) of each Political Subdivision, of Prince George's County and of Montgomery County, Maryland, and of the Authority. The chief executive officer (or his nominee) of the Authority shall submit the results of the Authority's review made in accordance with Section 2.2, including the estimates prepared in connection therewith, to each member of such Committee and shall call one or more meetings of such Committee for the purpose of considering the results of such review and providing an opportunity for the preparation of a report to the Authority of its comments and recommendations with respect thereto. Any such report shall be advisory only and shall be submitted to the Authority within 30 days after receipt of the Authority's review.

SECTION 2.4. As soon as practicable in each Fiscal Year, beginning with the Fiscal Year in which the Initial Operation Date is to occur, after receipt by the Authority of any report of the Service Review Committee, or upon the expiration of the thirty day period specified in Section 2.3, whichever is earlier, the Board of Directors of the Authority, after consideration of such report shall by resolution determine the following, among other things:

- (a) the Transit Service to be provided during the ensuing Fiscal Year, including the procedures, schedules and standards therefor, provided that such Transit Service shall be in accord with the Transit Plan and Program and the Compact;

- (b) the rate and fare structure for the Transit Service for the ensuing Fiscal Year; provided that such rate and fare structure shall be in accord with the Compact;

- (c) the estimated number of Transit Trips by residents of the County during the ensuing Fiscal Year; and

- (d) the estimated number of Train Miles to be provided within the County during the ensuing Fiscal Year.

Such determinations with respect to Transit Service and the rate and fare structure for the Transit System may be subsequently modified at any time or from time to time by the Board of Directors of the Authority or pursuant to its au-

thority as may be required to assure efficient and economical operation of the Transit System, provided, however, that any such modification shall be in accord with the Transit Plan and Program and the Compact. It is understood that the determination of the estimates pursuant to (c) and (d) above is solely for the purpose of furnishing the County with information for the preparation of its budget for the ensuing Fiscal Year, and such estimates shall not serve as the basis for computing the Service Payment for such ensuing Fiscal Year which shall be computed only as provided in Section 3.1.

ARTICLE III

PAYMENTS FOR SERVICE

SECTION 3.1. In consideration of the Transit Service provided by the Authority pursuant to this Agreement the County shall pay to the Authority or its order for each Fiscal Year during the term of this Agreement, commencing with the Fiscal Year next succeeding the Initial Operation Date, the sum of:

(i) an amount equal to 1-1/4 cents for each Transit Trip by a resident of the County during such Fiscal Year, as determined by the Authority in accordance with Section 3.2, plus

(ii) an amount equal to twenty cents for each Train Mile within the County during such Fiscal Year, as determined by the Authority in accordance with Section 3.3.

SECTION 3.2. The Authority shall determine for each Fiscal Year, commencing with the Fiscal Year next succeeding the Initial Operation Date, the number of Transit Trips by residents of the County during such Fiscal Year. Such determination shall be made promptly after the end of such Fiscal Year and shall be based on one or more surveys of the ridership of the Transit System which shall be made during such Fiscal Year by the Authority in accordance with procedures approved by the Board of Directors of the Authority. The results of each such survey shall be transmitted to the County as soon as practicable after the same has been completed.

SECTION 3.3. The Authority shall determine for each Fiscal Year, commencing with the Fiscal Year next succeeding the Initial Operation Date, the Train Miles within the County during such Fiscal Year. Such determination shall be made promptly after the end of such Fiscal Year and shall

be based on the records of the Authority for such Fiscal Year. The Authority shall keep complete and accurate records of such Train Miles and such records shall be open to duly authorized representatives of the County at reasonable business hours.

SECTION 3.4. Not later than the August 1 following the end of each Fiscal Year for which a Service Payment is due pursuant to Section 3.1, the Authority shall transmit to the County a statement of the amount of the Service Payment for such preceding Fiscal Year calculated as provided in Section 3.1. Such Service Payment shall be remitted to the Authority within 30 days after receipt of such statement. In the event that any Service Payment shall remain unpaid after such due date, the County shall be charged with and shall pay to the Authority interest on the amount unpaid from its due date until paid at the rate of 6% per annum.

SECTION 3.5. The Authority shall at all times take all reasonable measures permitted by the Compact or otherwise by law to collect and enforce prompt payment to or for its account of all Service Payments in accordance with this Agreement and all service payments to be made by the other Political Subdivisions under transit service agreements with the Authority.

ARTICLE IV

MISCELLANEOUS

SECTION 4.1. It is expressly understood and agreed that the obligations of the parties under this Agreement are conditioned upon and subject to the enactment into law during the 91st Congress of Federal legislation which authorizes the appropriations for (or appropriates) all the capital contributions to be made by the Federal Government as set forth in the Capital Receipts Schedule attached to the Capital Contributions Agreement.

SECTION 4.2. This Agreement shall not preclude free transportation or reduced fares for school children or any other class of riders on the Transit System or any other form of subsidized Transit Service, in the County or any other Political Subdivision; and in the event that such subsidized transportation is to be provided, the County or such other Political Subdivision in which the same is to be provided shall enter into an agreement with the Authority to make fair and equitable payment to the Authority for such subsidized transportation.

SECTION 4.3. This Agreement shall be in full force and effect and be legally binding upon the Authority and the County upon the execution and delivery by the Authority and each other Political Subdivision of a transit service agreement containing substantially the same terms and conditions as this Agreement, except that (i) in the case of the agreements with the District of Columbia and Arlington County, Train Miles in Modified Sector Zero shall be excluded in determining service payments thereunder, and (ii) in the case of the agreement with the Washington Suburban Transit District the payment thereunder of service payments shall be severally guaranteed by Montgomery County and Prince George's County, respectively.

SECTION 4.4. This Agreement shall be executed in twelve counterparts, and all such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement and affixed their seals hereto as of the date first above written.

Washington Metropolitan Area
Transit Authority

By

(Seal)
Attest:

.....

Fairfax County

By

(Seal)
Attest:

.....

EXHIBIT III TO PETITION

An excerpt from the minutes of a Regular Meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Room of the Fairfax County Administration Building on November 26, 1969, at which meeting all of the members of the said Board were present.

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Supervisor Alexander made the following motion: That the Board approve the capital contributions and transit service agreements, and direct the County Executive to execute them. That motion was seconded by Supervisor Harris. The motion carried by a unanimous vote of eight supervisors.

The County Executive then made the following statement to the Board: "Mr. Chairman and Members of the Board: While aware of my responsibility to carry out the directions of the Board, I am unaware of my duties to observe the Constitution and laws of Virginia. After due consideration, I must respectfully decline to execute the transit service agreement because of a serious question respecting the legality of the agreement, particularly the questions of whether the County's undertaking under the Transit Service Agreement to make Service Payments in accordance with the terms thereof constitutes debt for the purposes of Section 115a of the Constitution of the Commonwealth requiring that the questions of contracting such debt be put to the voters at a County election."

Supervisor Alexander then made the following motion: That the Board authorize the County Attorney to take such legal action on its behalf as may seem to him necessary and appropriate to have the courts direct Mr. Massey to execute the transit service agreement, and that the Board authorize the County Attorney to associate counsel if it appears necessary or appropriate, to assist him in such legal action. That motion was seconded by Supervisor Harris. The motion carried by a unanimous vote of eight supervisors.

I hereby certify that the foregoing excerpt is an accurate transcript of the minutes of that portion of the meeting to which they relate.

Edna A. Bicksler, Clerk of the
Board of Supervisors of Fairfax County, Virginia

EXHIBIT IV TO PETITION
COMMONWEALTH OF VIRGINIA

County of Fairfax
Fairfax, Virginia 22030

November 26, 1969

Mr. Chairman and Members of the Board:

By resolution adopted on November 26, 1969, the Board of Supervisors of Fairfax County has directed me, as County Executive, to execute on behalf of the County of Fairfax an instrument entitled Transit Service Agreement, to which agreement the Washington Metropolitan Area Transit Authority and certain other political subdivisions of Virginia, Maryland and the District of Columbia are also parties. This agreement relates to the operation of a proposed rapid transit system for the Washington, D. C. metropolitan area, and would require the County of Fairfax to make annual payments to the Authority for transit service to be provided during the term of the agreement.

While I am aware of my responsibility to carry out the directions of the Board of Supervisors, I am also aware of my duty in so doing to observe the Constitution and laws of Virginia. After due consideration, I must respectfully decline to execute the Transit Service Agreement because of a serious question respecting the legality of the agreement, to-wit, the question of whether or not the County's undertaking under the Transit Service Agreement to make service payments in accordance with the terms of that agreement will constitute the contracting of a debt by the County, within the meaning of Section 115A of the Constitution of the Commonwealth of Virginia, which section requires that the question of contracting a debt be submitted to the qualified voters of the County for approval or rejection by majority vote.

Until such time as that question concerning the status of the Transit Service Agreement has been resolved by the Supreme Court of Appeals of Virginia, I feel that I cannot execute the agreement.

Very truly yours,

Carlton C. Massey
County Executive

A Copy—Teste:

Edna A. Bicksler
Clerk, Board of Supervisors

* * * * *

ANSWER

In answer to the Petition of the Board of Supervisors

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of Fairfax County for a Writ of *Mandamus* the respondent, Carlton C. Massey, County Executive of Fairfax County, Virginia, respectfully states the following:

1. Respondent admits the jurisdiction of the Court as alleged in paragraph numbered one of the Petition.

2. The allegations of paragraph numbered two of the Petition are admitted.

3. The allegations of paragraph numbered three of the Petition are admitted.

4. The allegations of paragraph numbered four of the Petition are denied.

5. The allegations of paragraph numbered five of the Petition are admitted.

6. The allegations of paragraph numbered six of the Petition are admitted.

7. The allegations of paragraph numbered seven of the Petition are admitted.

8. The allegations of paragraph numbered eight of the Petition are admitted.

9. The allegations of paragraph numbered nine of the Petition are denied.

IN CONSIDERATION WHEREOF Respondent prays that the Petition be denied and that Respondent may be dismissed with his costs expended.

Carlton C. Massey
By Counsel
County Executive
Fairfax County, Virginia

Farley, Odin & Feldman
By Dexter S. Odin
10560 Main Street, Suite 213
Fairfax, Virginia
Counsel for Respondent

Recd. 12-9-69.

A.L.L.

* * * * *

EXHIBIT "A" TO STIPULATION

ANNEX II TO RESOLUTION OF THE BOARD OF DIRECTORS OF WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY ADOPTED FEBRUARY 7, 1969

SUMMARY

of the

REGIONAL RAPID RAIL TRANSIT PLAN AND PROGRAM, MARCH 1, 1968 (REVISED FEBRUARY 7, 1969)

The system is 97.7 miles long, including 47.2 miles in subway, with 86 stations. The system serves directly the most densely populated urbanized area of the Washington metropolitan region. Stations throughout the system will have convenient means for transfer between rail and bus and many stations will have large parking facilities enabling motorists to save both time and money by riding the trains. The system has been planned to serve the greatest number of people in the Washington metropolitan area while at the same time maintaining a financially feasible system by generating as much revenue as possible per dollar of capital outlay and minimizing cost of construction.

The rapid transit system is composed basically of three through routes which traverse the District of Columbia and then enter Maryland and Virginia. Certain of these routes branch as they reach suburban areas and all are described separately below. Four two-level stations—Metro Center Station at 12th and G Streets, Northwest; Gallery Place Station at 7th and G Streets, Northwest; L'Enfant Plaza Station at 7th and D Streets, Southwest; and Fort Totten Station at Riggs Road and B&O Railroad—provide for direct and convenient transfers from one line to another. Transfers may also be made between the two Farragut Square Stations by means of a walkway.

DESIGN OF FACILITIES

Stations, Terminals and Platforms. Of the 86 stations in the System, it is presently estimated that 53 will be constructed in subway, and 33 will be at surface or on aerial structure. Platforms of all stations will be 600 feet long to accommodate eight car trains. Approximately one-half of the stations will have side platforms while the other half will have center platforms. Each subway station will have a

mezzanine level providing for fare collection, station supervision and administration. Stations will be attractive and well-lighted for passenger comfort. In keeping with the Washington area, midtown stations will follow a design concept that is in keeping with the dignity of the Nation's Capital. The design of outlying stations will be related to the area in which located.

Parking Facilities. Parking facilities to accommodate a total of 30,000 vehicles will be provided at 37 stations. Of this number, approximately 5,000 are planned in the District of Columbia, 11,000 in Virginia and 14,000 in Maryland.

PROVISION OF FACILITIES

All rapid transit facilities to be provided for the system will be constructed under the direction of the Washington Metropolitan Area Transit Authority. Public rights-of-way are utilized for the routes to the maximum practicable extent. Wherever private property is required, such property will be acquired by negotiated purchase or lease, as appropriate, or by condemnation, if necessary.

TYPE OF EQUIPMENT

Rapid Transit Vehicles. The passenger equipment for the recommended rapid rail transit system is being designed from the point of view of the passenger and his needs for comfort, convenience, and economy of time. Transit cars will incorporate the latest available high-performance features and the latest engineering advances of equipment recently introduced in Chicago, Cleveland and Toronto and planned for San Francisco. The cars will be 75 feet in length, have an overall width of 10 feet, will seat 81 passengers, and will be capable of rapid acceleration permitting speeds up to 75 miles per hour. They will be air-conditioned, attractively appointed, quiet and comfortable.

Train Control System. Automatic train controls will permit the area's rapid rail transit trains to operate with high precision and efficiency. Each train will be attended by an operator who can override the electronics when necessary. The capability for automatic operation will permit the operator to answer questions and supervise passenger activity. The operator will be able to communicate by radio with the Train Control Supervisor at Central Control.

The automatic train control and communications systems will be comprised of three subsystems: (1) automatic train

protection which guarantees the safety of passengers and equipment by regulating train speed and spacing, (2) automatic train operation which starts and stops trains and opens doors, and (3) automatic train supervision which monitors train performance throughout the system.

TIMETABLE FOR PROVISION OF FACILITIES

It is anticipated that the entire system will be put into operation by 1980 with the initial operation scheduled for the end of 1972. Engineering work on the basic system authorized by Congress is progressing and final design contracts have been let on a number of sections of this system. Exhibit A depicts the schedule of operations for the various segments of the system.

ANTICIPATED CAPITAL COSTS

The estimated capital costs of constructing and equipping the lines and facilities in the Regional Rapid Rail Transit Plan and Program based upon the latest preliminary engineering studies is \$2.495 billion, including an assumed escalation factor of 5 percent per annum.

ESTIMATED OPERATING EXPENSES AND REVENUES

Annual estimates of operating expenses and revenues for each year 1973-2030 are shown in Exhibit B of Annex IV.

ROUTES AND SCHEDULES OF SERVICE

Service on the system will be provided over a 20-hour period from 5:00 A. M. to 1:00 A. M. Train schedules during typical weekday peak periods will consist of train frequencies at two to four-minute intervals. During the base day, trains will run every six minutes and during the early morning and late evening hours, every 10 minutes.

Saturday schedules will be six minutes during the base day and ten minutes during early morning and late evening hours. Sunday service will approximate the weekday "early morning—late evening" operations.

PROBABLE FARES

The fare system is expected to be generally comparable with prevailing bus fares. For testing purposes, a zone fare

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system ranging from 30 cents to 70 cents from downtown to the furthest station has been assumed. It is contemplated that there will be free transfers between bus and rapid rail transit operations.

EXHIBIT C TO STIPULATION
TRANSIT SERVICE AGREEMENT

THIS AGREEMENT made this 13th day of March, 1969 by and between the Washington Metropolitan Area Transit Authority (hereinafter referred to as "Authority"), a body corporate and politic created by interstate compact between Maryland, Virginia and the District of Columbia, the Washington Suburban Transit District, a body corporate and politic created by law in Maryland, the District of Columbia, and Arlington County and Fairfax County, Virginia, and the Cities of Alexandria, Falls Church and Fairfax, Virginia (such Counties and Cities, together with the Washington Suburban Transit District and the District of Columbia, being hereinafter referred to, collectively, as "Political Subdivisions" and, individually, as a "Political Subdivision").

WITNESSETH:

WHEREAS, the Authority has been created by the Washington Metropolitan Area Transit Authority Compact as an instrumentality and agency of Maryland, Virginia and the District of Columbia, to provide a regional transit system and service for the area described in such Compact as the Washington Metropolitan Area Transit Zone (hereinafter referred to as "Zone");

WHEREAS, the Authority in accordance with the provisions of Article VI of said Compact on March 1, 1968 adopted a Regional Rapid Rail Transit Plan and Program known as "Adopted Regional System—1968", and on February 7, 1969 adopted certain revisions to, and otherwise refined, the Adopted Regional System—1968 which, among other things, specifies the facilities of such regional transit system to be acquired and constructed (hereinafter referred to as "Adopted Regional System—1968 (Revised)");

WHEREAS, Article VII of the Compact declares the policy that ". . . as far as possible, the payment of all costs shall be borne by the persons using or benefiting from the Authority's facilities and services and any remaining costs shall be equitably shared among the federal, District of Columbia and participating local governments in the Zone";

WHEREAS, each of the Political Subdivisions and the residents thereof will derive substantial benefits from the service to be provided by such regional transit system;

WHEREAS, the Authority in accordance with Article VII of said Compact on February 7, 1969 adopted a plan for financing the construction and acquisition of such regional transit system and the operation thereof which proposes among other things, that a capital contributions contract and a service contract be entered into by the Authority with the Political Subdivisions;

WHEREAS, concurrently herewith the parties are entering into a Capital Contributions Agreement of even date with this Agreement providing for contributions by the Political Subdivisions to the capital required by the Authority for acquisition and construction of such regional transit system (such Capital Contributions Agreement, together with any amendments or revisions thereof hereafter made being hereinafter referred to as the "Capital Contributions Agreement"); and

WHEREAS, engineering, financial and other technical studies indicate that revenues from operation of such regional transit system will be sufficient to meet expenses and other obligations incurred in such operation and cover a substantial portion of the capital required for construction, it is nevertheless considered that the orderly development of such transit system and the financing thereof on favorable terms require that each of the Political Subdivisions agree to make any payments required by the terms of this Agreement for the service to be provided by such transit system;

NOW, THEREFORE, in consideration of the mutual promises and obligations hereinafter set forth, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

DEFINITIONS AND WARRANTIES

SECTION 1.1. The following terms shall for all purposes of this Agreement have the following meanings:

Aggregate Service Payment shall mean, for any Fiscal Year, an amount equal to the sum of (i) the Operating Deficiency Requirement, if any, estimated for such Fiscal Year pursuant to Section 2.4, plus (ii) if no Operating Deficiency Requirement was estimated pursuant to Section 2.4 for the second Fiscal Year preceding such Fiscal Year, the Operating Deficiency Requirement, if any, for the Second Fiscal Year preceding such Fiscal Year (or, if an Operating De-

iciency Requirement for such preceding Fiscal Year was estimated pursuant to Section 2.4, the amount, if any, by which the actual Operating Deficiency Requirement for such preceding Year exceeded such estimate thereof); *Less* the amount, if any, by which the Operating Deficiency Requirement estimated for such second preceding Fiscal Year exceeded the actual Operating Deficiency Requirement for such Year.

Compact shall mean the Washington Metropolitan Area Transit Authority Compact entered into as an amendment to the Washington Metropolitan Area Transit Regulation Compact between the State of Maryland, the Commonwealth of Virginia and the District of Columbia and constituting Title III of said Washington Metropolitan Area Transit Regulation Compact, together with all amendments and supplements to said Title III which may hereafter be entered into in accordance with law

Federal Share Bonds shall mean the bonds, notes or other evidences of indebtedness issued by the Authority to finance or refinance the Transit System and payable solely from periodic contributions to be made by the Federal Government under a contract with the Authority and any income from investment of the proceeds thereof.

Fiscal Year shall mean any twelve month period commencing July 1 and ending June 30 of the next calendar year.

Initial Operation Date shall mean the first date on which the Transit System (exclusive of any extensions thereof authorized by amendment, revision or modification of the Regional Rapid Rail Transit Plan and Program of the Authority adopted March 1, 1968, as revised February 7, 1969) is to be substantially in full revenue service, as shall be determined by the Board of Directors of the Authority.

Operating Deficiency Requirement shall mean, for any Fiscal Year, the amount, if any, by which Operating Expenses for such Year exceed the Revenues for such Year remaining after provision is made for the debt service and reserve requirements for such Year with respect to Transit Bonds.

Operating Expenses shall mean all expenses of operation and maintenance of the Transit System, including but not limited to renewals and replacements of the facilities of the Transit System and interest on temporary borrowings to meet expenses of operation and maintenance of the Transit System, and payments to reserves for such expenses as may be required by the terms of any contract of the Authority with or for the benefit of the holders of Transit Bonds.

Reduced Service shall mean, for any Fiscal Year and with

respect to any Political Subdivision, Transit Service which is reduced below that required by Section 2.1(i) to such an extent that the total Train Miles within such Political Subdivision during such Fiscal Year are less than 85% of the total Train Miles required during such Year to provide the Transit Service to such Political Subdivision required under Section 2.1, and (ii) in the case of the City of Fairfax and the City of Falls Church, respectively, so long as no trackage of the Transit System shall lie within the boundaries of such Political Subdivision, to such an extent that the number of trains of the Transit System in revenue service stopping during such Year at the Nutley Road Station in the case of the City of Fairfax and the East Falls Church Station in the case of the City of Falls Church or such other station or stations which the Authority shall determine serve such Political Subdivisions, respectively, are less than 85% of the number of such trains required during such Year to provide the Transit Service to such Political Subdivision required under Section 2.1.

Revenues shall mean (i) all fees, rents, charges and revenues derived from the operation of the Transit System, (ii) the proceeds of any business interruption insurance with respect to the Transit System, and (iii) interest received on moneys or securities in funds or accounts held by the Authority in connection with its ownership or operation of the Transit System (other than funds or accounts for the deposit of the proceeds of any bonds or notes issued to finance the acquisition and construction of the Transit System or capital contributions for the acquisition and construction of the Transit System); but Revenues shall not include any Service Payments made under this Agreement.

Service Payment shall mean, for any Fiscal Year and with respect to any Political Subdivision, the portion of the Aggregate Service Payment for such Year allocated to such Political Subdivision pursuant to Section 3.2.

Train Miles shall mean, for any period of time and with respect to the Zone or any Political Subdivision, the total number of miles travelled in revenue service by all trains of the Transit System during such period of time within the Zone or within the boundaries of such Political Subdivision, as the case may be.

Transit Bonds shall mean bonds issued by the Authority, other than Federal Share Bonds, to finance or refinance the Transit System.

Transit Plan and Program shall mean the Regional Rapid Rail Transit Plan and Program set forth in the resolution of the Authority adopted on March 1, 1968 as revised and

refined by resolution of the Authority adopted on February 7, 1969 and Annexes I, II and III to such resolution, known as "Adopted Regional System—1968 (Revised)", together with all amendments, revisions and modifications of such Plan and Program which may hereafter be adopted by the Authority in accordance with the Compact.

Transit Service shall mean that service provided by the Transit System.

Transit System shall mean the facilities constructed or acquired or to be constructed or acquired by the Authority substantially in accordance with the Transit Plan and Program, including all real and personal property and all rights, interests, property and appurtenances incidental thereto or used or useful in connection therewith.

SECTION 1.2. The Authority and the Political Subdivisions each hereby represents and warrants that it has full power and authority to enter into and perform this Agreement.

ARTICLE II

TRANSIT SERVICE AND SERVICE REVIEW COMMITTEE

SECTION 2.1. The Authority shall cause the Transit System to be operated so as to provide, as nearly as practicable, Transit Service to the Political Subdivisions beginning with the first day of the Fiscal Year next succeeding the Initial Operation Date and ending June 30, 2040 at the rates and fares and in accordance with the procedures, schedules and standards of service set forth in the annual determination by the Board of Directors of the Authority pursuant to Section 2.4, as such determination may be modified from time to time in accordance with said Section 2.4. Prior to the Fiscal Year next succeeding the Initial Operation Date the Authority shall cause Transit Service to be provided over those portions of the Transit System which have been completed and put in revenue service, as it shall at any time and from time to time determine to be practicable and feasible.

SECTION 2.2. In each Fiscal Year, beginning with the Fiscal Year in which the Initial Operation Date shall occur, the Authority shall complete a review of its financial condition, its rate and fare structure, and its procedures, schedules and standards of service with respect to the Transit System. Such review shall include estimates of (i) the number of riders to be carried by the Transit System during the en-

suing Fiscal Year, (ii) the service reasonably required to meet estimated patronage of the Transit System during such ensuing Year, (iii) the Revenues remaining after provision is made for the debt service and reserve requirements for such ensuing Year with respect to Transit Bonds, (iv) the Operating Expenses for such ensuing Year, (v) the Operating Deficiency Requirement, if any, for such ensuing Year, (vi) the Aggregate Service Payment, if any, for such ensuing Year, (vii) the Service Payment, if any, of each Political Subdivision for such ensuing Year determined pursuant to Section 3.2, and (viii) the allocation of the Service Payment, if any, of the Washington Suburban Transit District for such ensuing Year between Montgomery County and Prince George's County in accordance with Section 3 of the Guaranty Agreement attached to this Agreement.

SECTION 2.3. A Service Review Committee is hereby established and shall consist of the chief executive officer (or his nominee) of each Political Subdivision, of Prince George's County and of Montgomery County, Maryland, and of the Authority. The chief executive officer (or his nominee) of the Authority shall submit the results of the Authority's review made in accordance with Section 2.2, including the estimates prepared in connection therewith, to each member of such Committee and shall call one or more meetings of such Committee for the purpose of considering the results of such review and providing an opportunity for the preparation of a report to the Authority of its comments and recommendations with respect thereto. Any such report shall be advisory only and shall be submitted to the Authority within 30 days after receipt of the Authority's review.

SECTION 2.4. As soon as practicable in each Fiscal Year, beginning with the Fiscal Year in which the Initial Operation Date shall occur, after receipt by the Authority of any report of the Service Review Committee, or upon the expiration of the thirty day period specified in Section 2.3, whichever is earlier, the Board of Directors of the Authority, after consideration of such report shall by resolution determine the following:

(a) the Transit Service to be provided during the ensuing Fiscal Year, including the procedures, schedules and standards therefor, provided that such Transit Service shall be in accord with the Transit Plan and Program and the Compact;

(b) the rate and fare structure for the Transit Service for the ensuing Fiscal Year; provided that such rate and fare structure shall be in accord with the Compact;

(c) the estimated Operating Deficiency Requirement, if any, for the ensuing Fiscal Year;

(d) the Aggregate Service Payment, if any, for the ensuing Fiscal Year;

(e) the Service Payment, if any, for the ensuing Fiscal Year allocated to each Political Subdivision on the basis of the formula set forth in Section 3.2; and

(f) the share of the Service Payment, if any of the Washington Suburban Transit District for the ensuing Fiscal Year allocated to Montgomery County and Prince George's County in accordance with Section 3 of the Guaranty Agreement attached to this Agreement.

Such determinations with respect to Transit Service and the rate and fare structure for the Transit System may be subsequently modified at any time or from time to time by the Board of Directors of the Authority or pursuant to its authority as may be required to assure efficient and economical operation of the Transit System, provided, however, that any such modification shall be in accord with the Transit Plan and Program and the Compact. The determinations made pursuant to this Section and each modification thereof shall be promptly transmitted by the Authority to each Political Subdivision.

ARTICLE III

PAYMENTS FOR SERVICE

SECTION 3.1. In consideration of the Transit Service provided by the Authority pursuant to this Agreement each Political Subdivision shall make Service Payments to the Authority or its order in the amounts, at the times and in the manner set forth in this Article. Service Payments, unless remitted to the Political Subdivisions as provided in this Agreement, shall be applied by the Authority only to the payment of Operating Expenses and temporary borrowings to meet Operating Expenses and shall not be applied to any other purpose. No Service Payment shall be required prior to the Fiscal Year next succeeding the Initial Operation Date.

SECTION 3.2. The Service Payment, if any, to be made during a Fiscal Year by each Political Subdivision shall be that portion of the Aggregate Service Payment allocated to such Political Subdivision by resolution of the Board of Directors of the Authority adopted prior to the beginning of

such Fiscal Year as provided in Section 2.4 (such allocation to be binding for all purposes of this Agreement) on the basis of the following formula:

(a) An amount equal to 50% of the Aggregate Service Payment to be allocated on the ratio of the Transit Service provided each Political Subdivision (as measured by operating costs of the Transit System for such Fiscal Year attributable to (i) the Train Miles within such Political Subdivision for such Fiscal Year, as determined and estimated by the Authority, and (ii) the number of stations of the Transit System within such Political Subdivision including those determined and estimated by the Authority to be in service prior to the end of such Fiscal Year), to total Transit Service provided by the Transit System (as measured by operating costs of the Transit System for such Fiscal Year attributable to (i) the total Train Miles within the Zone for such Fiscal Year, as determined and estimated by the Authority, and (ii) the number of stations of the entire transit system including those determined and estimated by the Authority to be in service prior to the end of such Fiscal Year); and

(b) An amount equal to 25% of the Aggregate Service Payment to be allocated on the ratio of the number of residents of each Political Subdivision using the Transit System during its morning peak period in such Fiscal Year, as determined and estimated by the Authority, to the number of residents of all Political Subdivisions using the Transit System during its morning peak period in such Fiscal Year, as determined and estimated by the Authority; and

(c) An amount equal to 25% of the Aggregate Service Payment to be allocated on the ratio of the population in each Political Subdivision to the total population of the Zone, as determined and estimated by the Authority based on the latest available population statistics of the United States Bureau of Census.

SECTION 3.3. In the event that any Service Payments are to be made during a Fiscal Year, at least nine calendar months prior to the beginning of such Year the Authority shall transmit to each Political Subdivision a notice setting forth the Service Payment required to be made to the Authority by such Political Subdivision during such Fiscal Year. Such notice shall be accompanied by a statement and schedule setting forth in reasonable detail (i) the Aggregate Service Payment to be made during such Fiscal Year, including the calculation thereof, (ii) the calculation under

the allocation formula pursuant to Section 3.2 of the amount of the Service Payment of each Political Subdivision, and (iii) the calculation under the allocation formula set forth in Section 3 of the Guaranty Agreement attached to this Agreement of the allocable shares of Montgomery County and Prince George's County of such Service Payment of Washington Suburban Transit District. The Service Payment allocated to each Political Subdivision shall be paid by such Political Subdivision during such Fiscal Year in equal monthly installments, except that such monthly installments shall be decreased as provided in Section 3.4 on account of any Reduced Service. Each such installment shall be due on the tenth day of each calendar month.

SECTION 3.4. It is understood by the parties hereto that each Political Subdivision shall make Service Payments in consideration of the Transit Service provided by the Transit System in accordance with the terms of this Agreement. Accordingly, in the event of Reduced Service to any Political Subdivision during any Fiscal Year in which a Service Payment is made, the Service Payment installment or installments, if any, to be made by such Political Subdivision during the ensuing Fiscal Year shall be credited with an amount which bears the same proportion to the amount of the Service Payment for such Fiscal Year of Reduced Service as the number of Train Miles operated within the Political Subdivision during such Year (or, in the case of a Political Subdivision which has no trackage of the Transit System within its boundaries, the number of trains of the Transit System in revenue service stopping at the station or stations which the Authority shall determine serve such Political Subdivision) bears to the total number of Train Miles (or the total number of trains stopping at such station or stations) required during such Year to provide the Transit Service to such Political Subdivision required under Section 2.1, and such credit shall be applied so as to decrease such Service Payment installment or installments in the order in which they become due until the entire amount of such credit shall have been so applied; or in the event that there is no Service Payment due for such ensuing Fiscal Year, then an amount equal to such credit shall be remitted by the Authority to such Political Subdivision. Promptly after the end of any Fiscal Year in which a Service Payment is made and during which there is Reduced Service to a Political Subdivision, the Authority shall send a written notice to such Political Subdivision setting forth the extent of such Reduced Service and the Amount of such credit against its Service Payment

installment or installments next due or the amounts to be remitted to it in accordance with this Section.

SECTION 3.5. As soon as practicable after the end of each Fiscal Year, commencing with the first full Fiscal Year next succeeding the Initial Operation Date, the Authority shall submit to each Political Subdivision a detailed statement setting forth for such Fiscal Year (i) the Revenues, (ii) the debt service and reserve requirements with respect to Transit Bonds, (iii) the Operating Expenses, (iv) the Operating Deficiency Requirement, if any, (v) the Service Payment, if any, made by each Political Subdivision during such Year, and (vi) if an Operating Deficiency Requirement was estimated for such Fiscal Year pursuant to Section 2.4, the difference between such estimate and the Actual Operating Deficiency Requirement, if any, for such Year, and, if such estimated Operating Deficiency Requirement was in excess of the actual Operating Deficiency Requirement for such Fiscal Year, the allocation of such excess (or the entire amount of such estimated Operating Deficiency Requirement if there were no actual Operating Deficiency Requirement) among the Political Subdivisions which allocation shall be in the same proportion as the allocation of the Aggregate Service Payment for such Fiscal Year pursuant to Section 3.2. In the event that there is no Aggregate Service Payment due and payable for the ensuing Fiscal Year, there shall be remitted to each Political Subdivision its allocable share of any excess (as shown pursuant to clause (vi) above) of the Operating Deficiency Requirement, if any, estimated for the preceding Fiscal Year pursuant to Section 2.4 over the actual Operating Deficiency Requirement for such Year.

SECTION 3.6. The Authority shall at all times take all reasonable measures permitted by the Compact or otherwise by law to collect and enforce prompt payment to or for its account of all Service Payments and each installment thereof in accordance with this Agreement. If any Service Payment installment or part thereof due to the Authority from any Political Subdivision shall remain unpaid after its due date, such Political Subdivision shall be charged with and shall pay to the Authority interest on the amount unpaid from its due date until paid at the rate of 6% per annum.

SECTION 3.7. The liability of the Political Subdivisions to make Service Payments under this Agreement shall be several and not joint and shall be limited to the Service Payments to be made by each Political Subdivision pursuant to this Article.

ARTICLE IV

MISCELLANEOUS

SECTION 4.1. It is expressly understood and agreed that the obligations of the parties under this Agreement are conditioned upon and subject to the enactment into law during the 91st Congress of Federal legislation authorizing the District of Columbia to enter into this Agreement and the Capital Contributions Agreement and authorizing the appropriations for (or appropriating) all the capital contributions to be made by the District of Columbia as set forth in the Capital Contributions Agreement and Federal legislation which either (i) authorizes the appropriations for (or appropriates) all the capital contributions to be made by the Federal Government as set forth in the Capital Receipts Schedule attached to the Capital Contributions Agreement, or (ii) authorizes, as a contractual obligation of the Federal Government, the payment by the Federal Government of periodic contributions to or upon the order of the Authority in amounts sufficient to provide for the payment of debt service and incidental expenses with respect to Federal Share Bonds.

SECTION 4.2. This Agreement shall not preclude free transportation or reduced fares for school children or any other class of riders on the Transit System or any other form of subsidized Transit Service, in any Political Subdivision, and it is expressly understood and agreed that any Political Subdivision in which such subsidized transportation is to be provided shall enter into an agreement with the Authority to make fair and equitable payment to the Authority for such subsidized transportation.

SECTION 4.3. This Agreement shall be in full force and effect and be legally binding upon the Authority and upon all of the Political Subdivisions upon its execution and delivery by the Authority and each Political Subdivision and the execution and delivery of the Guaranty Agreement attached hereto.

SECTION 4.4. This Agreement shall be executed in twelve counterparts, and all such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement and affixed their seals hereto as of the date first above written.

Washington Metropolitan Area
Transit Authority

By

(Seal)
Attest:

.....

Washington Suburban Transit
District

By

(Seal)
Attest:

.....

Fairfax County

By

(Seal)
Attest:

.....

Arlington County

By

(Seal)
Attest:

.....

City of Alexandria

By

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(Seal)
Attest:

.....

City of Falls Church

By

(Seal)
Attest:

.....

City of Fairfax

By

(Seal)
Attest:

.....

District of Columbia

By

(Seal)
Attest:

.....

GUARANTY AGREEMENT

THIS AGREEMENT made this 13th day of March, 1969 by and between Montgomery County, Maryland, and Prince George's County, Maryland, (sometimes hereinafter referred to, collectively, as the "Guarantors" and, individually, as "Guarantor") and Washington Metropolitan Area Transit Authority (hereinafter referred to as "Authority"), a body corporate and politic created by interstate compact between Maryland, Virginia and the District of Columbia;

WITNESSETH:

WHEREAS, the Washington Suburban Transit District (hereinafter referred to as "District") is authorized by the Washington Suburban Transit District Law, constituting Chapter 72 of the Montgomery County Code of 1965 (being Article 16 of the Code of Public Laws of Maryland), as amended, and Chapter 83A of the Code of Public Laws of Prince George's County (1963 Edition, being Article 17 of the Code of Public Laws of Maryland), as amended, to enter into the foregoing Transit Service Agreement of even date herewith (hereinafter referred to as the "Transit Service Agreement");

WHEREAS, pursuant to said Washington Suburban Transit District Law the obligations imposed upon the District by the Transit Service Agreement shall be guaranteed by Montgomery County and Prince George's County in the proportions herein stated; and

WHEREAS, the Guarantors are desirous that the Authority enter into the Transit Service Agreement with the District, among others, and are entering into this Agreement as an inducement to the Authority to enter into the Transit Service Agreement.

NOW, THEREFORE, in consideration of the premises and as an inducement to the execution and delivery by the Authority of the Transit Service Agreement, the Guarantors do each hereby agree with the Authority as follows:

SECTION 1. The Guarantors hereby absolutely and unconditionally in accordance with Section 3 of this Agreement guarantee to the Authority the full and prompt payment by the District, as and when the same shall become due and payable under the terms and provisions of the Transit Service Agreement, of the Service Payments and each installment thereof to be made from time to time by the District under the Transit Service Agreement, and any interest payable by the District on overdue installments of Service Payments pursuant to the Transit Service Agreement. In the event of any failure by the District to make such Service Payments or any installments thereof, as and when the same shall become due and payable, or any interest on overdue installments, the Guarantors shall pay in accordance with Section 3 the amounts thereof which are due under the terms and conditions of the Transit Service Agreement. Each Guarantor assents to the terms, covenants and conditions of the Transit Service Agreement.

SECTION 2. The guaranty of the Guarantors under this Agreement shall be an absolute, unconditional and continuing

guaranty in accordance with Section 3 of this Agreement, shall remain in full force and effect until the District shall have fully and satisfactorily discharged all its obligations under the Transit Service Agreement, and shall not be subject to any setoff, counterclaim, reduction or diminution of an obligation, or any defense of any kind or nature which either or both of the Guarantors has or may have against the Authority or against each other.

SECTION 3. Anything herein to the contrary notwithstanding, the obligations of the Guarantors under this Agreement shall be several and not joint, and the liability of each Guarantor shall be limited to its allocable share of any Service Payment or installment thereof payable by the District under the Transit Service Agreement, which allocable share of each Guarantor shall be determined on the basis of and in accordance with the following formula:

(a) An amount equal to 50% of the Service Payment of the District for any Fiscal Year to be allocated on the ratio of the Transit Service provided such Guarantor (as measured by operating costs of the Transit System for such Fiscal Year attributable to (i) the Train Miles within the boundaries of such Guarantor for such Fiscal Year, as determined and estimated by the Authority, and (ii) the number of stations of the Transit System within the boundaries of such Guarantor including those determined and estimated by the Authority to be in service prior to the end of such Fiscal Year), to the Transit Service provided in the District by the Transit System (as measured by operating costs of the Transit System for such Fiscal Year attributable to (i) the total Train Miles within the District for such Fiscal Year, as determined and estimated by the Authority, and (ii) the number of stations of the Transit System within the District including those determined and estimated by the Authority to be in service prior to the end of such Fiscal Year); and

(b) An amount equal to 25% of such Service Payment to be allocated on the ratio of the number of residents of such Guarantor using the Transit System during its morning peak period in such Fiscal Year, as determined and estimated by the Authority, to the number of residents of the District using the Transit System during its morning peak period in such Fiscal Year, as determined and estimated by the Authority; and

(c) An amount equal to 25% of such Service Payment to be allocated on the ratio of the population of such Guarantor to the total population of the District, as determined and esti-

mated by the Authority based on the latest available population statistics of the United States Bureau of Census.

Any interest payable by the District on overdue installments of Service Payments pursuant to the Transit Service Agreement shall be the obligation of each Guarantor to the extent that such Guarantor shall not have made payment in accordance with its guaranty under this Agreement. For the purposes of this Section 3, the terms "Service Payment," "Transit Service," "Transit System," "Fiscal Year" and "Train Miles" shall have the same meanings, respectively, as set forth for such terms in Section 1.1 of the Transit Service Agreement, except that "Train Miles" is used in this Section with respect to the District and each Guarantor.

SECTION 4. The Authority shall promptly furnish each Guarantor with a copy of the statement and schedule referred to in Section 3.3 of the Transit Service Agreement as though each Guarantor were a Political Subdivision thereunder. Such statement and schedule shall be accompanied by a notice setting forth the allocable share calculated in accordance with Section 3 of each Guarantor of the Service Payment to be made by the District. The Authority shall also promptly furnish to each Guarantor a copy of any notice sent to the District pursuant to Section 3.4 of the Transit Service Agreement with respect to Reduced Service (as defined in the Transit Service Agreement) during the preceding Fiscal Year, and the credit or amount to be remitted to the District on account of such Reduced Service shall be allocated between the Guarantors *pro rata* in accordance with the respective amounts of their allocable shares of the Service Payment to the District for such Fiscal Year. No notice with respect to Service Payments to be made by the District under the Transit Service Agreement or the failure of the District to make the same shall be required, other than that provided by this Section 4.

SECTION 5. No amendment, change, modification or alteration of the Transit Service Agreement shall be made which would in any way increase the Guarantors' obligations or the obligation of either Guarantor under this Agreement without obtaining the prior written consent of each of the Guarantors.

SECTION 6. The obligations of each of the Guarantors under this Agreement shall arise when the Transit Service Agreement shall have been executed and delivered by all the parties thereto.

SECTION 7. The Authority in its sole discretion shall have the right to enforce this Agreement by proceeding first

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and directly against either one or both of the Guarantors under this Agreement without proceeding against or exhausting its remedies against the District or the other Guarantor.

SECTION 8. Each Guarantor hereby represents and warrants that it has full power and authority to enter into and perform this Agreement.

SECTION 9. This Agreement shall be executed in twelve counterparts, and all such counterparts executed and delivered each as an original, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, each of the Guarantors have executed this Agreement and affixed their seals hereto as of the date first above written.

Montgomery County

By

(Seal)
Attest:

.....

Prince George County

By.....

(Seal)
Attest:

.....

Accepted this day of , 1969,

Washington Metropolitan Area Transit Authority

By

(Seal)
Attest:

.....

CITY OF FALLS CHURCH

v.

**HARRY E. WELLS, CITY MANAGER OF THE
CITY OF FALLS CHURCH****RECORD NO. 7378**

* * * * *

**NOTICE OF APPLICATION FOR
WRIT OF *MANDAMUS***

TO: The Honorable Harry E. Wells, City Manager, City of
Falls Church, Virginia

Please take notice that on the 1st day of December, 1969, at 4:00 P. M., or as soon thereafter as counsel may be heard, the undersigned, by counsel, will make application to the Supreme Court of Appeals of Virginia, or to a Justice thereof, then sitting at Richmond, Virginia, for a writ of *mandamus* against you, a copy of the Petition for said writ being attached hereto.

City of Falls Church

LaRue Van Meter, City Attorney

Harry Frazier III
Special Counsel for the City of Falls Church

Legal and timely service of the foregoing Notice of Application for Writ of *Mandamus*, with copy of Petition for Writ of *Mandamus* attached, is hereby accepted this 28th day of November, 1969.

Harry E. Wells, City Manager
City of Falls Church, Virginia

Received Nov 28 1969 Clerk Supreme Court of Appeals
Richmond, Virginia

* * * * *

PETITION FOR WRIT OF *MANDAMUS*

Your petitioner, the City of Falls Church, a municipal corporation of the Commonwealth of Virginia, brings this

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action against its City Manager for a writ of *mandamus* to compel him to execute a contract on behalf of the City of Falls Church and in support thereof respectfully represents to the Court as follows:

I

This petition is filed as an original proceeding pursuant to Section 17-96, Code of Virginia of 1950, as amended. This Court has jurisdiction to hear this matter and to grant the writ of *mandamus* prayed for.

II

By Chapter 2 of the Acts of the General Assembly of 1966, Virginia adopted the Washington Metropolitan Area Transit Authority Compact (Compact), an interstate agreement between Virginia, Maryland and the District of Columbia. The Compact creates the Washington Metropolitan Area Transit Authority (Authority), a body corporate and politic, as an agency and instrumentality of each of the signatory parties thereto, to plan, develop, finance and cause to be provided transit facilities and service for the Washington Metropolitan Transit Zone (Zone). The City of Falls Church is located in the Zone, which also embraces the District of Columbia, the Cities of Alexandria and Fairfax and the Counties of Arlington and Fairfax and the Political Subdivisions of Virginia located within those Counties, and the Counties of Montgomery and Prince George's and the Political Subdivisions of the State of Maryland located in said Counties.

III

In the Transportation District Act of 1964, enacted by Chapter 631 of the Acts of General Assembly of 1964, and codified as Chapter 32 of Title 15.1 of the Code of Virginia of 1950, as amended, being Section 15.1-1342 through 15.1-1372, as amended (Act), the General Assembly authorized the creation of transportation districts, embracing two or more counties or cities, or combinations thereof, to facilitate the planning and development of improved transit facilities. In contemplation of the enactment of the Compact, Section 15.1-1357(b) of the Act authorizes transportation districts "located within a metropolitan area, which includes all or a portion of a State or States contiguous to Virginia . . ."

to cooperate and participate in the planning and financing of an interstate regional transit system. In order to take advantage of the Act, the Northern Virginia Transportation District was created by Chapter 630 of the Acts of General Assembly of 1964, encompassing the Cities of Alexandria, Fairfax and Falls Church and the Counties of Arlington and Fairfax, all being located in the Zone.

IV

Under Section 15.1-1359 of the Act and Section 18(a) of the Compact, your petitioner is authorized to enter into contracts or agreements with the Authority under which the Authority undertakes to provide the transportation facilities and to render the transportation service specified in a duly adopted transportation plan in consideration for the undertaking by the petitioner to make capital contributions toward the construction or acquisition of such facilities and payments for such transportation service.

V

In conformance with the Compact, the Authority, on February 7, 1969, adopted a mass transit plan and a plan for financing the construction and operation of the regional transit system specified therein. A Capital Contributions Agreement, covering the commitment of petitioner with respect to capital costs, and a Transit Service Agreement, covering the commitment of petitioner with respect to operations, were important elements of that financial plan.

In an action by petitioner against Harry E. Wells, its City Manager, for a writ of *mandamus* to compel him to execute the Transit Service Agreement, this Court held that the Transit Service Agreement constituted a debt and was invalid for failure to comply with the applicable procedures and criteria for incurring debt (*City of Falls Church v. Wells*, 210 Va. 253).

VI

The invalidation of said Transit Service Agreement has affected considerations upon which the feasibility of the original plan of financing was based. As a result, on November 20, 1969, the Authority rescinded the original plan of financing and, in conformance with the Compact, adopted a new and substantially different Financial Plan (New Financial Plan). A copy of the New Financial Plan is attached

hereto as Exhibit I. A revised Capital Contributions Agreement and New Transit Service Agreements are important elements of the New Financial Plan. A copy of the revised Capital Contributions Agreement appears as Exhibit D to Exhibit I and the New Transit Service Agreement is attached hereto as Exhibit II.

Under the New Financial Plan, the total project cost of the regional transit system is estimated to be \$2,600,566,000, inclusive of net interest during construction of \$61,966,000 and \$44,000,000 to fund in part a bond reserve fund. The total project cost will be financed by the sale by the Authority of \$880,000,000 of its revenue bonds (including \$44,000,000 to establish the initial part of a bond reserve fund) and by capital contributions in the aggregate amount of \$1,720,566,000, of which \$1,147,044,000 is to be contributed by the Federal Government and \$573,522,000 by petitioner and the other Political Subdivisions in the Zone. Petitioner's obligation to make capital contributions toward the financing of the project is set forth in the revised Capital Contributions Agreement.

In order to establish the financial feasibility of the regional transit system, the New Financial Plan reflects the need for greater system revenues than did the original plan of financing. These additional revenues, which are required, in addition to the fare box and other revenues of the regional transit system, to maintain the levels of operation and service for which the regional transit has been designed and support the Authority's capital structure, are to be provided by payments to the Authority of annual service charges by petitioner, as well as such payments by the other Political Subdivisions in the Zone, under the New Transit Service Agreements in consideration of the transit service provided to each of them by the Authority's regional transit system.

VII

Petitioner's obligation to purchase such transit service is set forth in the New Transit Service Agreement attached as Exhibit II. Section 3.1 of said Agreement provides that petitioner shall pay $1\frac{1}{4}\text{¢}$ for each transit trip taken by one of its residents and 20¢ for each train mile, if any, operated within its corporate boundaries. The Service Payment for each year is to be made after the end of such year on the basis of actual transit trips by residents and actual train miles operated. The obligation to make payments for transit service commences with the year next succeeding the initial

date of substantially full revenue service of the regional transit system, which is presently scheduled to be 1980.

VIII

On November 24, 1969, the Council of the City of Falls Church duly *adopted* a resolution approving the New Transit Service Agreement and authorizing and directing the respondent as City Manager to execute that Agreement on behalf of the City. A copy of said resolution is attached as Exhibit III.

The respondent, however, has advised the City Council by letter dated November 24, 1969, a copy of which is attached as Exhibit IV, that he entertains doubts respecting the legality of the New Transit Service Agreement and that he will not execute said Agreement until its legality has been adjudicated by this Court. The respondent raises the following question:

Will the City's undertaking under the New Transit Service Agreement to make Service Payments in accordance with the terms thereof constitute a bond or other indebtedness for the purposes of Section 127 of the Constitution of the Commonwealth, and, if so, is such undertaking void as the incurrence of debt in an undetermined amount in violation of the debt limit provision of Section 127?

IX

Your petitioner believes, and so avers, that the undertaking by the City of Falls Church under the New Transit Service Agreement does not violate Section 127 of the Constitution of the Commonwealth, that such agreement is valid in all respects and complies with the Compact and the Act and that the duty of the respondent to execute such Agreement is purely ministerial and involves the exercise of no discretion on his part.

WHEREFORE, your petitioner, the City of Falls Church, prays that the respondent, Harry E. Wells, be made a party to this petition and be required to answer the same; that this matter be advanced on the docket of the Court for consideration at the earliest practicable date; that this Court grant the petitioner an oral argument; that this Court consider and determine all questions raised or to be raised in this proceeding and decree that the New Transit Service Agreement is a valid contract not in violation of the Constitution of the Commonwealth; and that a writ of *mandamus* be issued by this Court directed to the respondent requiring

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him to execute the New Transit Service Agreement on behalf
of the City of Falls Church.

City of Falls Church

By LaRue Van Meter, City Attorney

Received Nov 28 1969 Clerk Supreme Court of Appeals
Richmond, Virginia

AFFIDAVIT OF PETITIONER

State of Virginia
County of Fairfax ss:

This day personally appeared before me, a notary public
in and for the County of Fairfax, State of Virginia, LaRue
Van Meter, who stated upon oath that he is City Attorney of
the City of Falls Church and that the matters and things
stated in the Petition for Writ of *Mandamus*, annexed hereto,
are true to the best of his knowledge, information and belief.

Given under my hand this day of November, 1969.

Donald S. Frady
Notary Public

My commission expires:
4-5-71.

EXHIBIT III TO PETITION

RESOLUTION DIRECTING THE CITY MANAGER
TO EXECUTE ON BEHALF OF THE CITY OF FALLS
CHURCH THAT CERTAIN TRANSIT SERVICE
AGREEMENT AS NEGOTIATED WITH THE
WASHINGTON METROPOLITAN AREA TRANSIT
AUTHORITY

WHEREAS, the Commonwealth of Virginia has formed a Compact with the State of Maryland and the District of Columbia to develop a regional rapid transit system; and

WHEREAS, the Northern Virginia Transportation Commission and the Washington Metropolitan Area Transit Authority, in consultation with the City of Falls Church, have developed a Regional Rapid Rail Transit Plan and Program known as "Adopted Regional System—1968" and a new Financial Plan, adopted November 20, 1969, to finance the construction and operation of the transit system; and

WHEREAS, the proposed rapid transit plan and program and financing plans have been discussed from time to time in public meetings; and

WHEREAS, the residents of Falls Church will derive substantial benefits from the service to be provided by such rapid transit system; and

WHEREAS, the voters of Falls Church, Virginia, voted in public referendum by a substantial affirmative majority to support the proposed regional transit system by capital contributions in amounts totaling \$1,000,000 over a period of several years; and

WHEREAS, by Ordinance No. 427 adopted by the City Council on March 24, 1969, the City Manager was authorized and directed to execute on behalf of the City of Falls Church, a Transit Service Agreement with the Washington Metropolitan Area Transit Authority; and

WHEREAS, the Supreme Court of Appeals of Virginia has held that said Transit Service Agreement was in conflict with certain provisions of the Virginia Constitution; and

WHEREAS, a new Transit Service Agreement has been negotiated by and between the Washington Metropolitan Area Transit Authority and the City of Falls Church, under which the City of Falls Church will pay an annual service charge to the Washington Metropolitan Area Transit Authority to defray a portion of the cost of rendering transit service to its residents, computed on the basis of 1 $\frac{1}{4}$ ¢ per resident trip and 20¢ per train mile, if any, operated within the City of Falls Church.

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NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FALLS CHURCH, acting through the authority of the City's Charter and the laws of Virginia, that the City Manager is authorized and directed to execute on behalf of the City of Falls Church that certain Transit Service Agreement in accordance with the adopted Regional Rapid Rail Transit Plan and Program and Financial Plan.
Adopted by the Falls Church City Council - November 24, 1969

I, Robert A. Mattson, City Clerk for the City of Falls Church, Virginia, do hereby certify that the foregoing Resolution is a true and correct copy of a Resolution adopted at the regular meeting of the City Council of the City of Falls Church, Virginia, on November 24, 1969.

Robert A. Mattson

EXHIBIT IV TO PETITION

November 24, 1969

Mayor and Council
City of Falls Church
Falls Church, Virginia

Gentlemen:

By a resolution adopted on November 24, 1969, the Council of the City of Falls Church has directed me as City Manager to execute on behalf of the City of Falls Church, a Transit Service Agreement with Washington Metropolitan Area Transit Authority. This agreement relates to the operation of a proposed rapid transit system for the Washington, D. C. metropolitan area and requires the City of Falls Church to make annual payments to the Authority for transit services to be provided during the life of the agreement.

While aware of my responsibility to carry out the directions of the Council, I am also aware of my duties to observe the City Charter and the Constitution and laws of Virginia. After due consideration, I must respectfully decline to execute the agreement because of a serious legal question respecting the legality of the agreement. This question may be stated as follows:

1. Will the City's undertaking under the Transit Service Agreement to make Service Payments in accordance with the terms thereof constitute a bond or other indebtedness

for the purposes of Section 127 of the Constitution of the Commonwealth, and, if so, is such undertaking void as the incurrence of debt in an undetermined amount in violation of the debt limit provisions of said Section 127?

Until such time as the foregoing question shall have been favorably resolved by the Supreme Court of Appeals of Virginia, I cannot execute the agreement.

Very truly yours,

Harry E. Wells
City Manager

* * * * *

ANSWER

In answer to the Petition of the City of Falls Church for a Writ of *Mandamus* the respondent, Harry E. Wells, City Manager of the City of Falls Church, Virginia, respectfully states the following:

1. Respondent admits the jurisdiction of the Court as alleged in paragraph numbered one of the Petition.
2. The allegations of paragraph numbered two of the Petition are admitted.
3. The allegations of paragraph numbered three of the Petition are admitted.
4. The allegations of paragraph numbered four of the Petition are denied.
5. The allegations of paragraph numbered five of the Petition are admitted.
6. The allegations of paragraph numbered six of the Petition are admitted.
7. The allegations of paragraph numbered seven of the Petition are admitted.
8. The allegations of paragraph numbered eight of the Petition are admitted.
9. The allegations of paragraph numbered nine of the Petition are denied.

IN CONSIDERATION WHEREOF Respondent prays that the Petition be denied and that Respondent may be dismissed with his costs expended.

Harry E. Wells

by Counsel
City Manager
City of Falls Church, Virginia

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FARLEY, ODIN & FIELDMAN

By Dexter S. Odin
10560 Main Street, Suite 213
Fairfax, Virginia
Counsel for Respondent

Recd. 12-9-69

A.L.L.

* * * * *

A Copy—Teste:

Howard G. Turner, Clerk.



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