

RESOLUTION NO. 1975-42

A RESOLUTION AUTHORIZING THE ISSUANCE OF \$4,200,000 OF NOTES IN ANTICIPATION OF THE ISSUANCE OF BONDS FOR THE PURPOSE OF ACQUIRING A MUNICIPAL TRANSIT FACILITY SERVING THE AREA WITHIN THE TERRITORIAL BOUNDARIES OF THE TRANSIT AUTHORITY.

WHEREAS, the Secretary-Treasurer as fiscal officer, has certified to this Council that the estimated life of the improvement hereinafter mentioned is at least five (5) years, and that the maximum maturity of the bonds hereinafter referred to is at least fifteen years except that if notes in anticipation of such bonds are outstanding for a period in excess of five years from the date of the original issue, the period thereof in excess of five years shall be deducted from such maximum maturity, and the maximum maturity of the notes, hereinafter referred to, to be issued in anticipation of said bonds, is eight years or one year if sold privately;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. It is hereby declared necessary to issue bonds of the Greater Cleveland Regional Transit Authority (hereinafter called the Authority) in the principal sum of \$4,200,000 for the purpose of acquiring a municipal transit facility serving the area within the territorial boundaries of the Transit Authority.

Section 2. Such bonds shall be dated approximately September 1, 1976, shall bear interest at the estimated rate of six per centum (6%) per annum, payable semi-annually, until the principal sum is paid, and shall mature in fifteen substantially equal annual installments after their issuance.

Section 3. It is necessary to issue and this Board hereby determines that notes in the principal amount of \$4,200,000 shall be issued in anticipation of such bonds. Such anticipatory notes shall bear interest at the rate or rates of interest as shall be provided in the resolution of this Board hereafter adopted awarding such notes, such interest to be payable at maturity, with provision, if requested by the purchaser or purchasers of said notes, for a rate of interest after stated maturity higher than that before stated maturity, but in any case not to exceed eight per centum per annum. Such notes shall be dated as of their date of issuance and shall mature one year from such date.

Section 4. Such notes shall be executed by the President and Secretary-Treasurer. They shall be payable at the office of the Secretary-Treasurer of the Greater Cleveland Regional Transit Authority, Cleveland, Ohio, or at the option of the holder, in Federal Reserve Funds of the United States of America at the principal office of any bank or trust company designated by the purchaser and approved by the Secretary-Treasurer and situated in a city in which is located a Federal Reserve Bank or branch thereof, and shall express upon their face the purpose for which they are issued and that they are issued pursuant to this resolution.

Section 5. Subject to the rejection of such notes by the officer in charge of the Bond Retirement Fund for investment in such fund, such notes shall be awarded and sold as provided in the resolution of this Board hereafter adopted for such purpose, at the par value thereof together with any premium and accrued interest thereon; and the Secretary-Treasurer is hereby authorized and directed to deliver such notes, when executed, to such purchaser or purchasers upon payment of such purchase price. The proceeds from the sale of such notes, except any premium and accrued interest shall be paid into the proper fund and used for the purpose for which such notes are being issued under the provisions of this resolution. Any premium and accrued interest received from such sale shall be transferred to the Bond Retirement Fund to be applied to the payment of the principal and interest of such note in the manner provided by law.

Section 6. The Authority hereby covenants that it will restrict the use of the proceeds of the notes in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time of the delivery of and payment for such notes, so that the notes will not constitute arbitrage bonds under Section 103(d) of the Internal Revenue Code and the regulations prescribed under that section. The fiscal officer or any other officer, including the President, having responsibility with respect to the issuance of the notes is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee or consultant of the Authority, to give an appropriate certificate on behalf of the Authority, for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances and reasonable expectations regarding the amount and use of the proceeds of the note pursuant to said Section 103(d) and regulations thereunder.

Section 7. The par value to be received from the sale of the bonds anticipated by such notes and any excess funds resulting from the issuance of such notes shall, to the extent necessary, be used for the retirement of such notes at maturity, together with interest thereon, and are hereby pledged for such purpose.

Section 8. During the year or years while such notes run there shall be levied on all the taxable property within the territorial boundaries of the Authority, in addition to all other taxes, a direct tax annually not less than that which would have been levied if bonds had been issued without the prior issue of said notes. Said tax shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner and at the same time that taxes for general purposes for each of said years are certified, extended and collected. Said tax shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from said tax levies hereby required shall be placed in a separate and distinct fund, which, together with the interest collected on the same, shall be irrevocably pledged for the payment of the principal and interest of such notes or the bonds in anticipation of which they are issued when and as the same falls due.

Section 9. It is hereby determined that all acts, conditions and things required to be done precedent to and in the issuing of such notes, in order to make them legal, valid and binding obligations of the Municipality, have happened,

been done and performed in regular and due form as required by law; that the full faith, credit and revenue of the Authority shall be and are hereby irrevocably pledged for the prompt payment of the principal and interest thereof at maturity; and that no limitation of indebtedness or taxation, either statutory or constitutional, will have been exceeded in the issuance of such notes.

Section 10. The Secretary-Treasurer is hereby authorized and directed to certify a copy of this ordinance to the County Auditor.

Section 11. This resolution shall become effective immediately upon its adoption.

Adopted: September 2, 1975

/s/ Richard S. Stoddart
President

Attest: William C. Lehman
Secretary-Treasurer

The foregoing is hereby certified to be a true and correct copy of Resolution No. 1975-42 duly adopted by the Board of Trustees of the Greater Cleveland Regional Transit Authority on September 2, 1975.

William C. Lehman
Secretary-Treasurer