

RESOLUTION NO. 1978-1

A RESOLUTION REPEALING RESOLUTION NO. 1977-180 AND AUTHORIZING THE ISSUANCE OF \$7,500,000 OF NOTES IN ANTICIPATION OF THE ISSUANCE OF BONDS FOR THE PURPOSE OF PAYING COSTS TO THE AUTHORITY OF ACQUIRING, CONSTRUCTING, REPLACING, IMPROVING AND EXTENDING TRANSIT FACILITIES TO SERVE THE AREA WITHIN THE TERRITORIAL BOUNDARIES OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY.

WHEREAS, the Greater Cleveland Regional Transit Authority, (the "Authority") proposes to acquire, construct, improve, replace and extend capital assets constituting "transit facilities", within the meaning of that term as defined in Section 306.30, Ohio Revised Code, within the territorial boundaries of the Authority (the "Project"); and

WHEREAS, the Secretary-Treasurer, as fiscal officer, has certified to this Board that the estimated life of the Project is at least five (5) years; that the maximum maturity of the bonds hereinafter referred to is at least fifteen (15) years, except that if notes in anticipation of such bonds are outstanding for a period in excess of five (5) years from the date of the original issue, the period thereof in excess of five (5) years shall be deducted from such maximum maturity; that the maximum maturity of the notes to be issued in anticipation of such bonds is eight (8) years or one (1) year if sold privately; and has further certified, as provided in Section 306.40 of the Ohio Revised Code, that the estimated revenues of this Authority from sources other than ad valorem taxes on property, after first meeting from all available resources the estimated operation and maintenance expenses of this Authority as they become due, are sufficient to pay the principal of and interest on such bonds as they become due, and that the maximum aggregate amount of principal and interest to become payable in any one calendar year on all of the bonds of this Authority issued pursuant to such section without a vote of the electors does not exceed one-tenth of one per cent of the total value of all the property within the territory of this Authority as listed and assessed for taxation; and

WHEREAS, on June 7, 1977, the Authority adopted Resolution No. 1977-180 authorizing the issuance of \$7,500,000 of notes in anticipation of the issuance of the bonds for the purpose of paying a portion of the costs of the Project, which bonds were to be dated approximately July 1, 1978 and which notes in anticipation thereof have not as yet been issued; and the Authority has determined to change certain terms and provisions of said resolution;

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 Authority in the principal sum of \$7,500,000 for the purpose of paying a portion of the costs to the Authority of acquiring, constructing, replacing, improving and extending transit facilities to serve the area within the territorial boundaries of the Authority.

Section 2. Such bonds shall be dated approximately February 1, 1979, 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 (15) substantially equal annual installments after their issuance.

Section 3. It is necessary to issue and this Board hereby determines that a series of notes aggregating in principal amount not to exceed \$7,500,000 shall be issued in anticipation of such bonds. Such anticipatory notes shall be executed and delivered at such time or times as may be found by the Secretary-Treasurer to be necessary to meet the obligations incurred by this Authority in acquiring and making the improvements described in Section 1 hereof. Such notes shall be executed in a series, numbered consecutively beginning with No. 1, in such numbers and denominations as requested by the purchaser or purchasers thereof and approved by the Secretary-Treasurer. Such anticipatory notes shall bear interest at the rate or rates of interest, not exceeding five per centum (5%) per annum, as shall be provided in the certificate of the Secretary-Treasurer awarding such notes as hereafter provided, 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 the date of their respective issuance and shall mature one year from the date of issuance of the first note issued hereunder.

Section 4. Such notes shall be executed by the President and Secretary-Treasurer. They shall be payable, without deduction for the services of the Authority's paying agent, at the office of the Secretary-Treasurer of the 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 of the largest principal amount of such notes 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 sold by the Secretary-Treasurer at private sale for not less than the par value thereof together with any premium and accrued interest thereon and at the interest rate or rates specified in the offer or offers of the purchaser or purchasers, none of which rates shall exceed the rate mentioned in Section 2 hereof; 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. Such notes shall not have coupons attached and may, at the option and expense of the holder thereof and upon presentation and surrender thereof at the office of the Secretary-Treasurer of the Authority, be exchanged for an equal aggregate principal amount of notes with the same date, interest rate and maturity, but of different denominations. No such exchange shall be made during the thirty days next preceding the maturity date of such Notes. 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 notes 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(c) 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 notes pursuant to said Section 103(c) 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 such 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; provided, however, that in each year such tax shall not be levied to the extent that revenues of the Authority from sources other than ad valorem taxes on property are available for the payment of such notes and bonds and are appropriated for such purpose. 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 Authority, have happened, been done and performed in regular and due form as required by law; that such notes shall be the full general obligation of the Authority and 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. Resolution No. 1977-180, adopted by the Authority on June 7, 1977, is hereby repealed.

Section 11. The Secretary-Treasurer is hereby authorized and directed to certify a copy of this resolution to the County Auditor.

Section 12. It is found and determined that all formal actions of this Board concerning and relating to the adoption of this resolution were adopted in an open meeting of this Board, and that all deliberations of this Board and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 13. This resolution shall become effective immediately upon its adoption.

Adopted: January 10, 1978

/s/ Dale R. Finley

President

Attest: /s/ William C. Lahman
Secretary-Treasurer