

RESOLUTION NO. 1981-7

A RESOLUTION AUTHORIZING THE ISSUANCE OF \$5,500,000 OF SERIES 1981A NOTES IN ANTICIPATION OF THE ISSUANCE OF BONDS 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 GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY.

WHEREAS, the Greater Cleveland Regional Transit Authority (the "Authority") is acquiring, constructing, improving, replacing and extending capital assets constituting "transit facilities", within the meaning of that term as defined in Section 306.30 of the Ohio Revised Code, within the territorial boundaries of the Authority (the "Project"); and

WHEREAS, in order to provide moneys to pay a portion of the local matching funds required to be provided by the Authority in connection with capital grants approved by the Urban Mass Transit Administration of the United States Department of Transportation, the Authority has heretofore authorized and issued notes as hereinafter described and determines that it is necessary at this time to provide for the issuance of additional notes in such series for the purpose hereinafter stated; and

WHEREAS, pursuant to Resolution No. 1978-1, adopted January 10, 1978, notes were issued for the purpose hereinafter stated, in the principal amount of \$7,500,000, dated February 22, 1978 and maturing February 22, 1979, which notes were retired in part from the proceeds of \$7,000,000 of notes dated February 22, 1979 and issued pursuant to Resolution No. 1979-1 adopted January 1, 1979, as amended by Resolution No. 1979-29 adopted February 6, 1979, which subsequent notes were retired in part from the proceeds of \$6,500,000 of notes dated February 22, 1980 and maturing February 20, 1981, issued pursuant to Resolution No. 1980-18 adopted January 15, 1980, as amended by Resolution No. 1980-71 adopted February 19, 1980; and

WHEREAS, there will be available funds in the amount of \$1,000,000 which this Board has determined to appropriate and to apply to discharge pro-rata at their maturity such outstanding notes and this Board has further determined that the balance of such outstanding notes in the amount of \$5,500,000 should be funded at their maturity by the issuance of the new notes (provided for herein) in anticipation of the issuance of bonds; 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 February 22, 1986 or one (1) year if sold privately; and, as provided in Section 306.40 of the Ohio Revised Code, that the estimated revenues of the Authority from sources other than ad valorem taxes on property, after first meeting from all available resources the estimated operation and maintenance expenses of the 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 the Authority issued pursuant to such section without a vote of the electors does not exceed one-tenth of one percent of the total value of all the property within the territory of the Authority as listed and assessed for taxation;

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

Section 1. It is hereby declared necessary to issue bonds of the Authority in the principal sum of \$5,500,000 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, 1982, shall bear interest at the estimated rate of ten and one-half per centum (10-1/2%) 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 \$5,500,000 shall be issued in anticipation of such bonds and to retire in part the outstanding notes. 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 the maximum rate permitted by law, 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 the maximum rate permitted by law in effect at the time of award and sale of the notes. Such notes shall be dated February 20, 1981 and shall mature on February 19, 1982.

Section 4. Such notes shall be executed by the President and Secretary-Treasurer, provided that one of such signatures may be a facsimile signature. The notes 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 banks or trust company or companies designated by the purchaser of the largest principal amount of such notes and approved by the Secretary-Treasurer and situated in a city or cities 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 3 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 applicable income tax 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 reasonable expectations of the Authority regarding the amount and use of all such proceeds and the facts and circumstances on which they are based all as of the date of delivery and payment for such notes.

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 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. If, in the judgment of the President or Secretary-Treasurer, a disclosure document in the form of an Official Statement is appropriate or necessary in connection with the original issuance of the notes, each of such officers in their official capacities are authorized to prepare or cause to be prepared on behalf of the Authority an Official Statement and any necessary supplements thereto, and on behalf of the Authority to use and distribute, or authorize the use and distribution of, such Official Statement and any supplements thereto in connection with the original issuance of the notes. Such officers, the Manager of Finance and Administrative Services and the General Counsel are each further authorized to execute, on behalf of the Authority and in their official capacities, such Official Statement and any supplements thereto approved by such officers and are each authorized and directed to advise the original purchaser or purchasers of the notes in writing regarding limitations on the use of the Official Statement and any supplements thereto for purposes of marketing or reoffering the notes as the officer acting deems necessary or appropriate to protect the interests of the Authority. The President, the Secretary-Treasurer, the Manager of Finance and Administrative Services and the General Counsel are each authorized to execute and deliver, on behalf of this Authority and in their official capacities, such certificates in connection with the accuracy of the Official Statement and any supplements thereto as may, in their judgment, be necessary or appropriate.

Section 10. 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 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 12. This resolution shall become effective immediately upon its adoption.

Adopted: January 6, 1981:

Vernon Bergander
President

Attest:

William C. Lehman
Secretary-Treasurer