

RESOLUTION NO. 1981- 58

A RESOLUTION AUTHORIZING ACCEPTANCE OF A PROPOSAL  
AND EXECUTION OF AN AGREEMENT FOR FINANCIAL UNDER-  
WRITING SERVICES.

WHEREAS, McDonald & Company and Prescott, Ball & Turben, investment banking firms having their principal offices located in Cleveland, Ohio, have jointly proposed to this Authority that said firms provide financial underwriting services, on a personal services basis, to this Authority in accordance with the proposal attached hereto and marked Exhibit "A", such agreement to provide for no fees or compensation for such services, but only for the reimbursement of actual, out-of-pocket expenses; and

WHEREAS, this Authority, in order to continue its capital development program may be required to issue notes or bonds to provide for this Authority's portion of the costs of capital improvements and desires to have assistance in the planning, marketing and sale of such obligations;

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

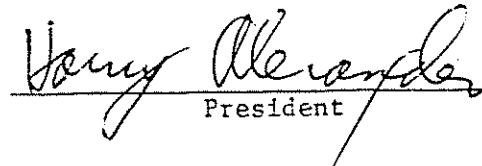
Section 1. That the President or Vice President and Secretary-Treasurer are hereby authorized on behalf of this Authority to accept the proposal described above and to evidence such acceptance by executing the same, to constitute a personal service agreement for such financial underwriting services as provided for therein.

Section 2. The Secretary-Treasurer is hereby authorized and directed to make appropriate certification as to the availability of funds for the reimbursement of expenses as provided for in said agreement and to issue appropriate orders for the payment of the same as they shall become payable.

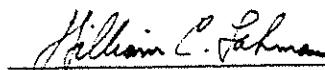
Section 3. It is found and determined that all formal actions of this Board concerning and relating to the adoption of this resolution were adopted in an open meeting of this Board, and that all deliberations of this Board and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 4. This resolution shall become effective immediately upon its adoption.

Adopted: March 3, 1981

  
\_\_\_\_\_  
President

Attest:

  
\_\_\_\_\_  
Secretary-Treasurer

March 2, 1981

Greater Cleveland Regional Transit Authority  
Frank J. Lausche State Office Building  
615 Superior Avenue, N.W.  
11th Floor  
Cleveland, Ohio 44113

Attention: Mr. William C. Lahman,  
Secretary-Treasurer

Dear Sirs:

In accordance with our discussions, we (the "Underwriters") submit herewith our proposal for financial underwriting services to the Greater Cleveland Regional Transit Authority (the "Authority").

#### GENERAL STATEMENT

The Authority has need for the development and implementation of an integrated financial program to provide funds for the Authority's capital development program. Immediate emphasis will be directed to meet the need to raise "local matching funds" necessary to complete projects underway and to utilize fully federal funds which have been granted to the Authority. This program would include expert advice on the various necessary changes in existing legislation that restricts the Authority's ability to finance capital development projects. The program would give ongoing advice as to the structuring, timing and marketing of the Authority's Notes and Bonds. The program would include, but not be limited to, assistance in preparing and presenting the Authority's financing and development programs to the rating agencies and, if necessary, in the development and implementation of a marketing program which would permit the Authority with the opportunity to present its story to potential lenders.

#### Scope of Services to be Performed

The services to be performed by the Underwriters at the request of the Authority and as necessary to assist in carrying out the financing of the Authority's capital development program during the term of this agreement include, but are not limited to, the following:

- (a) general advice with respect to formulating and implementing the Authority's capital development programs

EXHIBIT "A"

- (b) advice concerning available financing alternatives
- (c) advice on structuring, timing and marketing the Authority's notes and bonds
- (d) assistance, as necessary, in preparing and making presentations to rating agencies and in preparing official statements
- (e) developing a marketing program for the Authority's obligations and assisting in making presentations in connection with that marketing program
- (f) review of existing state laws to determine whether any amendments to such laws would be desirable to assist in the Authority's financing program
- (g) assistance in drafting any proposed state legislation and making presentations to legislative committees, if necessary

In rendering such underwriting services, as independent contractors, the Underwriters shall not exercise any administrative discretion on behalf of the Authority in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, any county or cities or of the Authority, or the execution of public trusts.

#### Sales of Authority's Securities

Upon being notified by the Authority of the Authority's desire to sell notes or bonds at negotiated sale at any time during the continuance of this agreement, the Underwriters, if they desire to purchase such obligations, shall submit to the Authority a proposed sale and purchase agreement containing specific terms of the financing. Any such proposed agreement shall be subject to approval by the Board of Trustees of the Authority.

#### Reimbursement of Underwriters' Expenses

No fees or other forms of compensation will be paid by the Authority either directly or indirectly to the Underwriters for any of the services provided pursuant to this agreement. The Authority will reimburse the Underwriters for the Underwriters' actual out-of-pocket expenses including, but not limited to, travel, long-distance telephone and duplicating expenses, and costs of printing official statements incurred in rendering such services, provided that such expenses shall not exceed \$20,000 in connection with any single issue of notes or bonds. The Underwriters before incurring any such expenses in excess of \$5,000, other than routine expenses, shall notify the Secretary-

Treasurer of the Authority of the nature and estimated amount of such proposed expenses for approval of such expenses by the Board of Trustees. The Underwriters will submit requests for reimbursement of expenses to the Secretary-Treasurer at least quarterly and shall submit with such requests such invoices, receipts or other similar evidence relating to such expenses as the Secretary-Treasurer shall reasonably require. The Authority is not obligated to reimburse or pay any expense under this agreement that the Authority is prohibited by law from incurring or making.

Term of Agreement

This agreement shall commence upon its acceptance by the Authority and shall terminate on December 31, 1982, provided that either the Authority or the Underwriters may, by notice given to the other, specify an earlier date of termination, to be not sooner than sixty days after the giving of such notice of termination.

Notices Under Agreement

Any notice hereunder shall be in writing and shall be deemed to be sufficiently given when mailed by registered or certified mail, postage prepaid, if to the Authority at the address given above and if to the Underwriters at their respective principal offices in Cleveland, Ohio.

To indicate the Authority's acceptance of this proposal, please return a signed copy hereof to each of the Underwriters.

Accepted by the GREATER CLEVELAND  
REGIONAL TRANSIT AUTHORITY

McDONALD & COMPANY

By \_\_\_\_\_  
President

\_\_\_\_\_  
Russell L. Geuther  
Partner

By \_\_\_\_\_  
Secretary-Treasurer

PRESCOTT, BALL & TURBEN

Dated: \_\_\_\_\_, 1981

\_\_\_\_\_  
J. Jeffrey Eakin  
Partner

Greater Cleveland Regional Transit Authority  
March 2, 1981  
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FISCAL OFFICER'S CERTIFICATE

The undersigned, Fiscal Officer of the Greater Cleveland Regional Transit Authority, hereby certifies that the moneys required to meet the obligations of said regional transit authority during the year 1981 under the foregoing Agreement have been lawfully appropriated by the Board of Trustees for such purposes and are in the treasury of the Authority or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

Dated: March 3, 1981

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Secretary-Treasurer

The legal form and correctness of the within instrument are hereby approved.

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General Counsel