

RESOLUTION NO. 1985- 135

A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$10,000,000 CAPITAL IMPROVEMENT NOTES, SERIES 1985A, IN ANTICIPATION OF THE ISSUANCE OF BONDS, FOR THE PURPOSE OF PAYING A PORTION OF THE COSTS TO THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY OF ACQUIRING, CONSTRUCTING, REPLACING, AND IMPROVING TRANSIT FACILITIES TO SERVE THE AREA WITHIN THE TERRITORIAL BOUNDARIES OF THE AUTHORITY.

WHEREAS, the Greater Cleveland Regional Transit Authority (the "Authority") is authorized under Section 306.35 of the Ohio Revised Code (the "Code") to acquire, construct, improve, replace and extend "transit facilities" within the meaning of that term as defined in Section 306.30 of the Code, within the territorial boundaries of the Authority and to apply for and accept grants from the United States and the State of Ohio for the purpose of providing for the development or improvement of such transit facilities; and

WHEREAS, the Authority has been awarded certain grants, including Grants OH-03-0062, OH-03-0089, OH-05-0072, OH-09-0019 and OH-23-9002 by the Urban Mass Transportation Administration of the United States Department of Transportation ("UMTA") for the purpose hereinafter described; and

WHEREAS, the Authority, in order to provide money for that purpose, has heretofore issued its \$10,000,000 Capital Improvement Notes, Series 1984A, dated August 14, 1984, which notes are about to mature; and

WHEREAS, the Secretary-Treasurer, as fiscal officer of the Authority, has certified to this Board that the estimated life of the Project is at least five years, that the maximum maturity of the bonds hereinafter referred to is at least twenty years, and, as provided in Section 306.40 of the 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 and on all other bonds of the Authority 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 per cent of the total value of all the property within the territory of the Authority as listed and assessed for taxation;

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

Section 1. It is necessary to issue bonds of this Authority (the Bonds) in the principal amount of \$10,000,000 for the purpose of paying a portion of the costs to the Greater Cleveland Regional Transit Authority of acquiring, constructing, replacing, and improving transit facilities to serve the area within the territorial boundaries of the Authority, in connection with UMTA Grants OH-03-0062, OH-03-0089, OH-05-0072, OH-09-0019 and OH-23-9002.

Section 2. The Bonds shall be dated approximately July 1, 1986, shall bear interest at the now estimated rate of 9-1/2% per annum, payable semi-annually until the principal amount is paid, and shall mature in fifteen substantially equal annual installments.

Section 3. It is necessary to issue and this Board determines that notes in the aggregate principal amount of \$10,000,000 (the Notes) shall be issued in anticipation of the issuance of the Bonds and to retire the outstanding notes. The Notes shall bear interest at a rate or rates not to exceed 8-1/2% per annum, payable at maturity. If requested by the original purchaser the Notes may provide that, in the event the Authority does not make provision for payment at maturity of the principal of and interest on the Notes, the principal amount of the Notes shall bear interest at a different rate or rates not to exceed 12% per annum from the maturity date until the Authority makes provision to pay that principal amount. The rate or rates of interest on the Notes shall be determined by the Secretary-Treasurer in the certificate awarding the Notes in accordance with Section 6 of this resolution.

Section 4. The principal of and interest on the Notes shall be payable in lawful money of the United States of America, or in Federal Reserve funds of the United States of America if so requested by the original purchaser. The principal of and interest on the Notes shall be payable, without deduction for services of the Authority's paying agent, at the principal office of AmeriTrust Company, National Association, Cleveland, Ohio. The Notes shall be dated the date of issuance and shall mature one year from the date of issuance.

Section 5. The Notes shall be signed by the President and Secretary-Treasurer, in the name of the Authority and in their official capacities, provided that one of those signatures may be a facsimile; shall be issued in the numbers and denominations as may be requested by the original purchaser and approved by the Secretary-Treasurer, provided that the entire principal amount may be represented by a single note; shall not have coupons attached; shall be numbered as determined by the Secretary-Treasurer; and shall express upon their faces the purpose for which they are issued and that they are issued pursuant to this resolution.

Section 6. The Notes are offered at par and accrued interest, if any, to the Secretary-Treasurer, as officer in charge of the Bond Retirement Fund of the Authority. Notes not purchased for the Bond Retirement Fund or for other funds of the Authority shall be sold at private sale by the Secretary-Treasurer in accordance with law and the provisions of this resolution. The Secretary-Treasurer shall sign the certificate of award referred to in Section 3 evidencing that sale, cause the Notes to be prepared, and have the Notes signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Notes if requested by the original purchaser, to the original purchaser upon payment of the purchase price.

Section 7. The proceeds from the sale of the Notes, except any premium and accrued interest, shall be paid into the proper fund or funds and those proceeds are appropriated and shall be used for the purpose for which the notes are being issued. Any portion of those proceeds representing premium and accrued interest shall be paid into the Bond Retirement Fund to be

applied to the payment of the principal of and interest on the Notes in the manner provided by law.

Section 8. 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 Bonds, 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 Bonds. Such officers, the Director of Finance, the Acting General Manager 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 Bonds in writing regarding limitations on the use of the Official Statement and any supplements thereto for purposes of marketing or reoffering the Bonds as the officer acting deems necessary or appropriate to protect the interests of the Authority. The President, the Secretary-Treasurer, the Director of Finance, the Acting General Manager 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 9. The par value to be received from the sale of the Bonds or any renewal notes and any excess funds resulting from the issuance of the Notes shall, to the extent necessary, be used to pay the principal of and interest on the Notes at maturity and are pledged for that purpose.

Section 10. During the year or years in which the Notes are outstanding, there shall be levied on all the taxable property in the territory of the Authority, in addition to all other taxes, the same tax that would have been levied if the Bonds had been issued without the prior issuance of the Notes. The tax shall be within the ten-mill limitation imposed by law, shall be and is 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 those years are certified, levied, extended and collected, and shall be placed before and in preference to all other items and for the full amount thereof. The proceeds of the tax levy shall be placed in the Bond Retirement Fund, which is irrevocably pledged for the payment of the principal of and interest on the Notes or the Bonds when and as the same fall due. In each year, however, such tax shall not be levied to the extent that revenues of the Authority from sources other than ad valorem taxes are available for the payment of such bonds and are appropriated for such purposes.

Section 11. The Authority 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 the Notes, so that the Notes will not constitute arbitrage bonds under Section 103(c) of the Internal Revenue Code and the applicable regulations prescribed under that Section. The Secretary-Treasurer, as the fiscal officer, or any other officer having responsibility for

issuing the Notes, shall, alone or with any other officer or employee of or consultant to the Authority, give an appropriate certificate of the Authority for inclusion in the transcript of proceedings for the Notes, setting forth the reasonable expectations of the Authority regarding the amount and use of all the proceeds of the Notes and the facts and estimates on which they are based, all as of the date of delivery of and payment for the Notes.

Section 12. The Secretary-Treasurer is directed to deliver a certified copy of this resolution to the County Auditor.

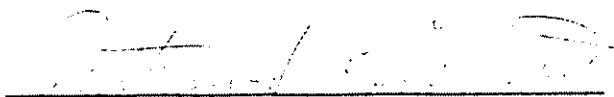
Section 13. This Board determines that all acts and conditions necessary to be done or performed by the Authority or to have been met precedent to and in the issuing of the Notes in order to make them legal, valid and binding general obligations of the Authority have been performed and have been met, or will at the time of delivery of the Notes have been performed and have been met, in regular and due form as required by law; that the full faith, credit and revenues of the Authority are pledged for the timely payment of the principal of and interest on the Notes; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Notes.

Section 14. The legal services of the law firm of Squire, Sanders & Dempsey be and are hereby retained, such legal services to be in the nature of legal advice and recommendations as to the documents and the proceedings in connection with the issuance and sale of the Notes and the rendering of an approving legal opinion. In rendering such legal services, as an independent contractor and in an attorney-client relationship, said firm shall not exercise any administrative discretion on behalf of this 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 this Authority, or the execution of public trusts. For such legal services said firm shall, in addition to its reasonable fees for such services, be reimbursed for actual out-of-pocket expenses (including, but not limited to, travel, long-distance telephone and duplicating expenses) incurred in rendering such legal services, and the Secretary-Treasurer is hereby authorized and directed to make appropriate certification as to the availability of funds for such fees and reimbursement and to issue an appropriate order for the payment of the same as the same shall become payable.

Section 15. This Board finds and determines that all formal actions of this Council concerning and relating to the adoption of this resolution were taken in an open meeting of this Council and that all deliberations of this Board and of any committees that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Revised Code.

Section 16. This resolution shall become effective immediately upon its adoption.

Adopted: June 18, 1985



President

Attest:



Secretary-Treasurer