

RESOLUTION NO. 1987- 84

AUTHORIZING THE GENERAL MANAGER TO ENTER INTO NEGOTIATIONS WITH UMTA TO ACHIEVE A SETTLEMENT CONCERNING THE FEDERAL SHARE OF FUNDING FOR 142 AM GENERAL MOTOR COACHES PURCHASED WITH FEDERAL FUNDS AND REQUIRING THE SETTLEMENT AGREEMENT TO BE SUBMITTED TO THE BOARD FOR FINAL APPROVAL

WHEREAS, Resolution No. 1977-101 adopted April 12, 1977, authorized the procurement of 143 diesel motor coaches at a total cost of \$10,478,182.00 under Capital Grant OH-03-0054 with 80% federal funding; and

WHEREAS, said motor coaches were placed in service beginning April 1978; and

WHEREAS, said motor coaches have been unsatisfactory in performance and have had numerous frame failures; and

WHEREAS, it has been necessary to remove most of the AMG motor coaches from service; and

WHEREAS, authority was given on May 6, 1986, by the Board of Trustees to sell the AMGeneral motor coaches; and

WHEREAS, UMTA has made claim for its share of the unamortized value of each AMG motor coach as of the date it was withdrawn from service; and

WHEREAS, UMTA has requested that a settlement be made in this matter; and

WHEREAS, a lawsuit filed by the GCRTA has been affected by the bankruptcy of L.T.V. Corporation of which AMGeneral Corporation was a subsidiary; and

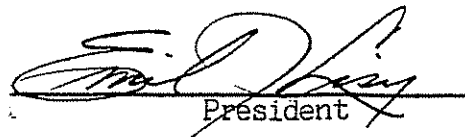
WHEREAS, the measure of damages of the GCRTA against AMGeneral Corporation may be affected by the amount paid to UMTA;

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

Section 1. That the General Manager be and he is hereby authorized to enter into and conduct negotiations with UMTA to achieve a settlement concerning the federal share of funding for 142 AMGeneral motor coaches which settlement shall be subject to Board approval.

Section 2. That this Resolution is effective immediately upon its adoption.

Adopted: April 7, 1987


President

Attest:


Secretary-Treasurer

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