

RESOLUTION NO. 1996 - 40

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$70,000,000 OF NOTES IN ANTICIPATION OF BONDS TO PAY A PORTION OF THE COSTS OF CAPITAL IMPROVEMENTS TO THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY'S TRANSPORTATION SYSTEM.

WHEREAS, this Board of Trustees has heretofore determined the necessity of making certain capital improvements to this Authority's transportation system including constructing an extension to the light-rail line from Tower City Center Station through the Flats district to the North Coast Harbor area, relocating offices to the Root McBride Building, rehabilitating, constructing and improving bridges, tracks, roads, stations and bus stops, and acquiring and installing cars and other equipment, furniture and fixtures related thereto (the "Project"), and desires to finance a portion of the costs of the Project by issuing notes of this Authority in anticipation of general obligation bonds;

WHEREAS, the General Manager/Secretary-Treasurer of this Authority has heretofore estimated that the life of the improvements constituting the Project is at least five (5) years, and has certified that the maximum maturity of the bonds issued therefor is twenty-eight (28) years, and of the notes to be issued in anticipation thereof is twenty (20) years; and

WHEREAS, the Authority heretofore issued notes in anticipation of bonds to finance a portion of the costs of the Project on June 19, 1995, in the principal amount of \$30,000,000, which notes are scheduled to mature on April 10, 1996 and should be renewed in a like principal amount; and

WHEREAS, the Authority needs additional funds to finance a portion of the costs of the Project by issuing additional notes in the amount of \$40,000,000 for a total principal amount of \$70,000,000; and

WHEREAS, this Board of Trustees expects the general revenues of this Authority, particularly proceeds of this Authority's one per cent (1%) sales and use tax approved by the electors in 1975 (the "Revenues") to be the source of payment of debt service charges on such notes and bonds;

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

SECTION 1. That it is necessary to issue and sell bonds of this Authority in a principal sum of not to exceed \$70,000,000 for the purpose of paying a portion of the costs of the Project, including "financing costs" as defined in Section 133.01 of the Ohio Revised Code incurred in connection with such bonds and notes issued in anticipation thereof. Such bonds shall be issued under authority of the general laws of the State of Ohio, particularly

RESOLUTION NO. 1996 - 40

Chapters 133 and 306 of the Ohio Revised Code, shall be dated approximately October 1, 1996, shall bear interest at an average annual rate estimated at eight per cent (8%) per annum, payable semiannually, and shall mature over a period not exceeding twenty (20) years in principal installments such that the total principal and interest payments on such bonds in any fiscal year in which principal is payable is substantially equal.

SECTION 2. That it is hereby determined that notes of this Authority shall be issued in anticipation of the issuance of such bonds. Such notes shall (i) be in a principal amount not to exceed \$70,000,000, (ii) be dated the date of their initial delivery to the purchasers thereof, (iii) mature not more than one year from their dated date, (iv) be of such denominations and numbered as such purchasers shall request, and (v) bear interest at a rate not to exceed six per cent (6%) per annum (computed on a 360 day per year basis), such interest to be payable at maturity, all as determined by the General Manager/Secretary-Treasurer of this Authority without further action of this Board of Trustees.

SECTION 3. That such notes shall express upon their faces the purpose for which they are issued and that they are issued in pursuance of this Resolution. Such notes shall be in fully registered form without coupons, shall be signed by the President of this Board of Trustees and by the General Manager/Secretary-Treasurer of this Authority, and may bear this Authority's seal, provided that such seal and such signatures may be facsimiles. Such notes shall bear the manual authenticating signature of an authorized representative of a bank or trust company determined by the General Manager/Secretary-Treasurer of this Authority without further action of this Board of Trustees to serve as the paying agent, registrar and transfer agent (the "Paying Agent and Registrar") for the notes. The principal of and interest on each note shall be payable at the principal office of the Paying Agent and the Registrar to the person whose name appears on the note registration records as the registered holder thereof. Such notes shall be designated "Capital Improvement Bond Anticipation Notes, Series 1996."

The notes shall be transferable by the registered holder thereof in person or by his attorney duly authorized in writing at the principal office of the Paying Agent and Registrar upon presentation and surrender thereof to the Paying Agent and Registrar. No transfer of any note shall be effective until entered upon the registration records maintained by the Paying Agent and Registrar. Upon such transfer, a new note or notes of authorized denominations of the same maturity and for the same aggregate principal amount shall be issued to the transferee in exchange therefor.

This Authority and the Paying Agent and Registrar may deem and treat the registered holders of the notes as the absolute owners thereof for all purposes, and neither this Authority nor the Paying Agent and Registrar shall be affected by any notice to the contrary.

SECTION 4. That such notes shall be sold at not less than par and accrued interest by the General Manager/Secretary-Treasurer of this Authority

RESOLUTION NO. 1996 - 40

to NatCity Investments, Inc. in accordance with their offer to purchase which the General Manager/Secretary-Treasurer is hereby authorized to accept without further action of this Board of Trustees, and the proceeds from such sale, except any premium or accrued interest thereon, shall be used for the purpose aforesaid and for no other purpose, and for which purpose such proceeds are hereby appropriated. Any premium and accrued interest shall be transferred to the bond retirement fund to be applied to the payment of principal and interest of such notes in the manner provided by law.

SECTION 5. That such notes shall be the full general obligations of this Authority, and the full faith, credit and revenue of this Authority are hereby pledged for the prompt payment of the same. The principal amount received from the sale of the bonds anticipated by such notes and any excess fund resulting from the issuance of the notes shall, to the extent necessary, be used only for the retirement of the notes at maturity, together with interest thereon and is hereby pledged for such purpose.

SECTION 6. That during the year or years while such notes run there shall be levied upon all of the taxable property with the territorial boundaries of this 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 the notes; provided, however, that in each year to the extent that the Revenues or other moneys are available for the payment of such notes and bonds and are appropriated for such purpose, the amount of such tax shall be reduced by the amount of the Revenues or other moneys so available and appropriated.

SECTION 7. That such 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 such years are certified, extended and collected. Such tax shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from such tax levy hereby required, or from the other described sources, shall be placed in a separate and distinct fund, which together with all interest collected on the same, shall be pledged irrevocably 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 fall due.

SECTION 8. That this Board of Trustees hereby covenants that it will restrict the use of the proceeds of the notes hereby authorized in such manner and to such extent, if any, and take such other actions as may be necessary, after taking into account reasonable expectations at the time the debt is incurred, so that they will not constitute obligations the interest on which is subject to federal income taxation or "arbitrage bonds" under Sections 103(b)(2) and 148 of the Code and the regulations prescribed thereunder, including any expenditure requirements, investment limitations or rebate requirements. The General Manager/Secretary-Treasurer of this Authority or any other officer having responsibility with respect to the issuance of such notes is authorized and directed to give an appropriate certificate on behalf of this Authority on the date of delivery of the notes for inclusion in the

RESOLUTION NO. 1996 - 40

transcript of proceedings, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to the use of the proceeds thereof and the provisions of said Sections 103(b)(2) and 148 and regulations thereunder.

SECTION 9. That the form of preliminary official statement with respect to such notes now on file with this Board of Trustees, the distribution thereof to prospective purchasers of the notes, and the deeming thereof to be final in accordance with Rule 15c-2-12(b)(1) of the Securities and Exchange Commission, except for certain information which has been omitted in accordance with such Rule and which will be provided in the final official statement, are hereby authorized, approved, ratified and confirmed. The President of this Board of Trustees, the General Manager/Secretary-Treasurer of this Authority and the Assistant General Manager-Finance and Administration of this Authority are each hereby authorized, separately or with others and without further action of this Board of Trustees, to execute and deliver the final official statement on behalf of this Authority, in substantially the form submitted to this Board of Trustees with such changes as the signers thereof may approve, to the purchasers of the notes for distribution to prospective purchasers of the notes and other interested persons. Such final official statement shall be prepared in accordance with the requirements of Rule 15c2-12(b)(3) of the Securities and Exchange Commission, in order that this Authority may provide or cause to be provided a reasonable number of final official statements to the purchasers of the notes within seven business days of the date of the final agreement to sell the notes, and such signers are hereby authorized to make such determinations regarding the final official statement as are required by such Rule.

SECTION 10. That for purposes of this Resolution, the following terms shall have the following meanings:

"Book entry form" or "book entry system" means a form or system under which (i) the beneficial right to payment of principal of and interest on the notes may be transferred only through a book entry, and (ii) physical note certificates in fully registered form are issued only to the Depository or its nominee as registered owner, with the notes "immobilized" to the custody of the Depository, and the book entry maintained by others than this Authority is the record that identifies the owners of beneficial interests in those notes and that principal and interest.

"Depository" means any securities depository that is a clearing agency under federal law operating and maintaining, together with its Participants or otherwise, a book entry system to record ownership of beneficial interests in notes or principal and interest, and to effect transfers of notes, in book entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

"Participant" means any participant contracting with a Depository under a book entry system and includes security brokers and dealers, banks and trust companies, and clearing corporations.

All or any portion of the notes may be initially issued to a Depository for use in a book entry system, and the provisions of this Section shall apply to such notes, notwithstanding any other provision of this Resolution. If and as long as a book entry system is utilized with respect to any of such notes: (i) there shall be a single note of each maturity; (ii) those notes shall be registered in the name of the Depository or its nominee, as registered owner, and immobilized in the custody of the Depository; (iii) the beneficial owners of notes in book entry form shall have no right to receive notes in the form of physical securities or certificates; (iv) ownership of beneficial interests in any notes in book entry form shall be shown by book entry on the system maintained and operated by the Depository and its Participants, and transfers of the ownership of beneficial interests shall be made only by book entry by the Depository and its Participants; and (v) the notes as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by this Authority. Debt service charges on notes in book entry form registered in the name of a Depository or its nominee shall be payable in the manner provided in this Authority's agreement with the Depository to the Depository or its authorized representative (i) in the case of interest, on each interest payment date, and (ii) in all other cases, upon presentation and surrender of notes as provided in this Resolution.

The Paying Agent and Registrar may, with the approval of this Authority, enter into an agreement with the beneficial owner or registered owner of any note in the custody of a Depository providing for making all payments to that owner of principal and interest on that note or any portion thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner (including wire transfer of federal funds) other than as provided in this Resolution, without prior presentation or surrender of the note, upon any conditions which shall be satisfactory to the Paying Agent and Registrar and to this Authority. That payment in any event shall be made to the person who is the registered owner of that note on the date that principal is due, or, with respect to the payment of interest, as of the applicable date agreed upon as the case may be. The Paying Agent and Registrar shall furnish a copy of each of those agreements, certified to be correct by the Paying Agent and Registrar, to other paying agents for notes and to this Authority. Any payment of principal or interest pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this Resolution.

The General Manager/Secretary-Treasurer of this Authority is authorized and directed without further action of this Board of Trustees to execute, acknowledge and deliver, in the name of and on behalf of this Authority, a letter agreement among this Authority, the Paying Agent and Registrar and The Depository Trust Company, as Depository, to be delivered in connection with the issuance of the notes to the Depository for use in a book entry system.

If any Depository determines not to continue to act as Depository for the notes for use in a book entry system, this Authority and the Paying Agent

RESOLUTION NO. 1996 - 40

and Registrar may attempt to establish a securities depository/book entry relationship with another qualified Depository under this Resolution. If this Authority and the Paying Agent and Registrar do not or are unable to do so, this Authority and the Paying Agent and Registrar, after the Paying Agent and Registrar has made provision for notification of the beneficial owners by the then Depository, shall permit withdrawal of the notes from the Depository and authenticate and deliver note certificates in fully registered form to the assigns of the Depository or its nominee, all at the cost and expense (including costs of printing definitive notes), if the event is not the result of action or inaction by this Authority or the Paying Agent and Registrar, of those persons requesting such issuance.

SECTION 11. That the General Manager/Secretary-Treasurer of this Authority is hereby authorized without further action of this Board of Trustees to execute and deliver (i) an agreement for the sale of such notes with the purchasers thereof, and (ii) an agreement with the Paying Agent and Registrar for its services as paying agent, registrar and transfer agent for the notes, in each case in such form as such officer may approve, the execution thereof by such officer to be conclusive evidence of such authorization and approval.

SECTION 12. That the General Manager/Secretary-Treasurer of this Authority is hereby directed to forward a certified copy of this Resolution to the County Auditor of each county in which any part of the territory of this Authority is located.

SECTION 13. That it is found and determined that all formal actions of this Board of Trustees concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Board of Trustees, and that all deliberations of this Board of Trustees and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law, including Section 121.22 of the Revised Code of Ohio.

SECTION 14. That this Resolution shall take effect immediately upon its adoption.

Adopted: March 19, 1996.




President

Attest: 

General Manager/Secretary-Treasurer

CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of a Resolution adopted on the 14th day of March, 1996 and that a copy thereof was certified to the County Auditor of Cuyahoga County, Ohio, on March 19, 1996.



General Manager/Secretary-Treasurer

RECEIPT

The undersigned hereby acknowledges receipt this day of a certified copy of the foregoing Resolution.

County Auditor
Cuyahoga County, Ohio

Dated: _____, 1996.

**FISCAL OFFICER'S CERTIFICATE AS TO
MAXIMUM MATURITY OF BONDS
AND BOND ANTICIPATION NOTES**

The undersigned, Secretary-Treasurer of the Greater Cleveland Regional Transit Authority (the "Authority:), as fiscal officer of such Authority within the meaning of Section 133.01 of the Ohio Revised Code, hereby certifies in connection with the proposed issuance of not to exceed \$70,000,000 of bonds for the purpose of renewing notes in the principal amount of \$30,000,000 heretofore issued by the Authority on June 19, 1995 and maturing on April 10, 1996 originally issued for the purpose of paying a portion of the costs of capital improvements to such Authority's transportation system including constructing an extension to the light-rail line from Tower City Center Station through the Flats district to the North Coast Harbor area, relocating offices to the Root McBride Building, rehabilitating, constructing and improving bridges, tracks, road, stations and bus stops, and acquiring and installing cars and other equipment, furniture and fixtures related thereto (the "Project") and additional funds in the principal amount of \$40,000,000 are needed to complete the Project and said fiscal officer further certifies that:

1. The estimated life or period of usefulness of each of the improvements to be made or acquired from the proceeds of such bonds is at least five (5) years.

2. The Authority previously issued notes in anticipation of bonds to finance a portion of the costs of the Project in the principal amount of \$30,000,000 on June 19, 1995 and maturing April 10, 1996 and in connection therewith certified the maximum maturity of said bonds.

3. The maximum maturity of bonds for the several categories of improvements to be made or acquired with the proposed issue of bonds calculated in accordance with Section 133.20 of the Ohio Revised Code, are as follows:

(a) \$43,150,000 for station, office, and other construction improvements having a maximum maturity of thirty (30) years, this being my estimate of the life or period of usefulness of such improvements;

(b) \$9,490,000 for bridges and trackwork improvements having a maximum maturity of fifty (50) years;

(c) \$1,340,000 for road improvements having a maximum maturity of twenty (20) years;

(d) \$10,320,000 for signaling, communications and other equipment, and station furnishings, art, finishes, landscaping and signage, having a maximum maturity of the (10) years;

(e) \$1,330,000 for bus stop construction improvements having a maximum maturity of fifteen (15) years, this being my estimate of the life or period of usefulness of such improvements; and

(f) \$4,370,000 for other capital improvements having a maximum maturity of five (5) years, this being my estimate of the life or period of usefulness of such improvements.

**Fiscal Officer's Certificate As
To Maximum Maturity of Bonds
and Bond Anticipation Notes**

Page 2

4. The maximum maturity of the proposed issue of bonds, being the average number of years of life or period of usefulness of all such improvements as measured by the weighted average of the amounts proposed to be expended for such several categories of improvements, and calculated in accordance with Section 133.20 of the Ohio Revised code, is twenty-eight (28) years.

5. The maximum maturity of notes issued in anticipation of such bonds is twenty (20) years, assuming compliance with Section 133.22 of the Ohio Revised Code.

IN WITNESS WHEREOF, I have hereunto set my hands this 14th day of March, 1996.


Secretary-Treasurer