

RESOLUTION NO. 2012-35

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF SALES TAX SUPPORTED BONDS FOR THE PURPOSE OF (I) PAYING A PORTION OF THE COSTS OF CAPITAL IMPROVEMENTS TO THE AUTHORITY'S TRANSPORTATION SYSTEM, IN THE APPROXIMATE PRINCIPAL AMOUNT OF \$27,000,000; AND (II) ADVANCE REFUNDING A PORTION OF THE AUTHORITY'S (A) GENERAL OBLIGATION (LIMITED TAX) CAPITAL IMPROVEMENT AND REFUNDING BONDS, SERIES 2004, (B) GENERAL OBLIGATION (LIMITED TAX) CAPITAL IMPROVEMENT AND REFUNDING BONDS, SERIES 2006, AND (C) GENERAL OBLIGATION (LIMITED TAX) CAPITAL IMPROVEMENT BONDS, SERIES 2008A, IN A COMBINED REFUNDING AMOUNT NOT TO EXCEED \$75,000,000; FOR A TOTAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$102,000,000; (III) AUTHORIZING A TRUST AGREEMENT WITH THE HUNTINGTON NATIONAL BANK; (IV) AUTHORIZING A PLEDGE OF AND LIEN ON THE SALES TAX REVENUES TO SECURE THE AUTHORITY'S INDEBTEDNESS; AND OTHER MATTERS RELATED TO SUCH SALE OF SALES TAX SUPPORTED BONDS

WHEREAS, at an election held in July, 1975, the voters of the Greater Cleveland Regional Transit Authority (the "Authority") approved a one percent (1.0%) sales and use tax (the "Sales Tax") levied by the Authority on all sales of tangible personal property and other transactions subject to sales and use taxes by the State of Ohio (the "State") within the boundaries of the County of Cuyahoga, Ohio (the "County"), which Sales Tax is unlimited in duration but is subject to reduction by a vote of the electors; and

WHEREAS, this Board of Trustees has determined the necessity of making certain capital improvements to the Authority's transportation system including (i) capital improvements to the University, Mayfield, and Brookpark rail stations and acquiring, constructing, rehabilitating and improving bridges, transit centers, tracks, road stations, buses and bus stops, (ii) rehabilitating park and rides and (iii) modifying and rehabilitating heavy and light rail systems (collectively, the "Series 2012 Project") and desires to finance a portion, in an amount not to exceed \$27,000,000, of the costs of the Series 2012 Project by issuing sales tax supported bonds of the Authority (the "New Money Bonds") pursuant to its authority under Revised Code Chapters 133 and 306; and

WHEREAS, the Secretary-Treasurer of this Authority has heretofore estimated that the life of the improvements constituting the Series 2012 Project is at least five (5) years and has certified that the maximum maturity of the New Money Bonds issued therefor is 25 years; and

WHEREAS, this Board of Trustees has heretofore determined the necessity of making certain capital improvements to the Authority's transportation system including the Euclid Corridor Transportation Project, rehabilitating, constructing and improving bridges, tracks, roads, stations, bus stops and the acquisition of certain equipment (collectively, the "Series 2004 Project"); and

WHEREAS, this Board of Trustees has previously authorized and issued \$67,235,000 Greater Cleveland Regional Transit Authority General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series 2004, dated as of November 16, 2004 (the "Series 2004 Bonds") for the purpose of financing a portion of the Series 2004 Project, which Series 2004 Bonds are currently outstanding in the principal amount of \$47,315,000; and

WHEREAS, this Board of Trustees has heretofore determined the necessity of making certain capital improvements to the Authority's transportation system including the Euclid Corridor Transportation Project, rehabilitating, constructing and improving bridges, tracks, roads, stations, bus stops; rehabilitating rail stations, modifying and rehabilitating heavy and light rail systems and the acquisition of certain equipment (collectively, the "Series 2006 Project"); and

WHEREAS, this Board of Trustees has previously authorized and issued \$38,490,000 Greater Cleveland Regional Transit Authority General Obligation (Limited Tax) Capital Improvement and Refunding Bonds, Series 2006, dated February 23, 2006 (the "Series 2006 Bonds") for the purpose of financing a portion of the Series 2006 Project, which Series 2006 Bonds are currently outstanding in the principal amount of \$33,410,000; and

WHEREAS, this Board of Trustees has heretofore determined the necessity of making certain capital improvements to the Authority's transportation system including (i) capital improvements to the Euclid Corridor Transportation Project and acquiring, constructing, rehabilitating and improving bridges, transit centers, tracks, road stations, buses and bus stops, (ii) rehabilitating rail stations and (iii) modifying and rehabilitating heavy and light rail systems (collectively, the "Series 2008A Project"); and

WHEREAS, this Board of Trustees has previously authorized and issued \$35,000,000 Greater Cleveland Regional Transit Authority General Obligation (Limited Tax) Capital Improvement Bonds, Series 2008A, dated as of March 5, 2008 (the "Series 2008A Bonds") for the purpose of financing a portion of the Series 2008A Project, which Series 2008A Bonds are currently outstanding in the principal amount of \$34,600,000; and

WHEREAS, this Board of Trustees desires to advance refund portions of the Series 2004 Bonds, the Series 2006 Bonds and the Series 2008A Bonds (such portions to be advance refunded referred to hereinafter as the "Prior Bonds"), which will result in debt service cost savings which will accrue to the benefit of this Authority, by issuing sales tax supported bonds of the Authority pursuant to its authority under Revised Code Chapters 133 and 306, in an amount not to exceed \$75,000,000 (the "Refunding Bonds" and, together with the New Money Bonds, the "Series 2012 Bonds"); and

WHEREAS, the Secretary-Treasurer of this Authority, as fiscal officer of this Authority, has certified to this Board of Trustees that the total estimated annual debt charges in any calendar year on the Series 2012 Bonds authorized in Section 1 hereof, and on all other Authority Indebtedness (as defined in Resolution No. 1980-376 adopted by the Authority on November 5, 1980, as amended and supplemented by Resolution No. 2012-35 adopted by the Authority on April 17, 2012), payable from and secured by revenues from the Sales Tax (the "Sales Tax Revenues") that is expected to be outstanding immediately after the issuance of the Series 2012 Bonds, do not exceed the estimated annual Sales Tax Revenues based on the average annual Sales Tax Revenues for the two prior calendar years; and

WHEREAS, the Board of Trustees desires to pledge and create a lien on the Sales Tax Revenues for the benefit of the bondholders of the Series 2012 Bonds and any other Indebtedness of the Authority; and

WHEREAS, the Authority desires to enter into a Trust Agreement dated as of April 30, 2012 (the "Trust Agreement") with The Huntington National Bank (the "Trustee"), with a mailing address of 917 Euclid Avenue, Cleveland, Ohio 44115; and

WHEREAS, pursuant to the Trust Agreement, the Trustee shall receive the Sales Tax Revenues directly from the State for deposit into a Sales and Use Taxes Collection Fund to be established by the Trustee (the "Collection Fund"), and then transfer from such Collection Fund to the Authority's Bond Retirement Fund (the "Bond Retirement Fund") the amounts necessary for the payment of the annual principal and interest (and any premium) on the outstanding Indebtedness of the Authority, with the balance of such Sales Tax Revenues to be transferred to the depository bank holding the general fund of the Authority, all in accordance with Section 5705.09 and Chapters 133 and 306 of the Revised Code.

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

Section 1. That it is necessary to issue and sell the Series 2012 Bonds of this Authority in an aggregate principal amount not to exceed \$102,000,000 for the purpose of paying part of the cost of the Series 2012 Project (in a principal amount not to exceed \$27,000,000) and advance refunding the Prior Bonds (in a principal amount not to exceed \$75,000,000), including "financing costs," as defined in Section 133.01 of the Ohio Revised Code, related to the issuance of the Series 2012 Bonds and the refunding of the Prior Bonds, under authority of and pursuant to the general laws of the State of Ohio, particularly Chapter 133 of the Ohio Revised Code.

Section 2. That the New Money Bonds shall be issued for the purposes aforesaid. The New Money Bonds shall (i) be designated as "Sales Tax Supported Capital Improvement Bonds, Series 2012A," or such other designation as set forth in a certificate executed by the Secretary-Treasurer setting forth any terms relating to the issuance of the Series 2012 Bonds which are not specified in this Resolution (the "Certificate of Award"); (ii) be dated and in a principal amount determined by the Secretary-Treasurer (but not exceeding the maximum amount set forth in Section 1 hereof) and set forth in the Certificate of Award; (iii) be numbered from AR-1, upwards in order of issuance; (iv) be of the denominations of \$5,000 and any integral multiple thereof; (v) mature or be subject to mandatory sinking fund redemption on the dates and in the amounts as determined by the Underwriters (as defined herein) and approved by the Secretary-Treasurer pursuant to the Certificate of Award, provided that the total principal and interest payments on the New Money Bonds in any fiscal year in which principal is payable (whether due to maturity or mandatory sinking fund redemption) shall not be more than three times the amount of those payments in any other fiscal year and the final maturity of the New Money Bonds shall not be later than December 1, 2031; and (vi) bear interest payable semiannually on the first day of June and the first day of December of each year commencing December 1, 2012, or on another date, and at the rate or rates per annum, as provided and approved by the Secretary-Treasurer pursuant to the Certificate of Award, provided that the average interest rate payable by this Authority over the life of the New Money Bonds shall not exceed six percent (6%) per annum.

Section 3. That the Refunding Bonds shall be issued for the purposes aforesaid. The Prior Bonds to be refunded from the proceeds of the Refunding Bonds shall be designated by the Secretary-Treasurer in the Certificate of Award and shall consist of those Series 2004 Bonds, Series 2006 Bonds and/or Series 2008A Bonds that can be refunded (and thereby deemed no longer Outstanding) with the proceeds of the Series 2012B Bonds, the refunding of which Prior Bonds will enable the Authority, in the judgment of the Secretary-Treasurer, based on the written advice of Public Financial Management, Inc., as financial advisor to the Authority (the "Financial Advisor"), to obtain net present value debt service savings with respect to the Prior Bonds, which net present value debt service savings shall meet the Authority's debt policy threshold. The Prior Bonds shall be called for redemption or retired on the date or dates specified in the Certificate of Award. The redemption dates so specified shall be the dates required under the Internal

Revenue Code of 1986, as amended (the "Code") for compliance with Section 149(d) of the Code and other applicable federal tax laws. The Series 2012B Bonds may be issued with the Series 2012A Bonds as one combined series, as provided herein.

The Refunding Bonds shall (i) be designated as "Sales Tax Supported Capital Improvement Refunding Bonds, Series 2012B," or such other designation as set forth in the Certificate of Award; (ii) be dated and in a principal amount determined by the Secretary-Treasurer (but not exceeding the maximum amount set forth in Section 1 hereof) and set forth in the Certificate of Award; (iii) be numbered from BR-1, upwards in order of issuance; (iv) be of the denominations of \$5,000 and any integral multiple thereof; (v) mature or be subject to mandatory sinking fund redemption on the dates and in the amounts as determined by the Underwriters (as defined herein) and approved by the Secretary-Treasurer pursuant to the Certificate of Award, provided that the final maturity of the Refunding Bonds shall be not later than December 1, 2027; and (vi) bear interest payable semiannually on the first day of June and the first day of December of each year commencing December 1, 2012, or on another date, and at the rate or rates per annum, as provided and approved by the Secretary-Treasurer pursuant to the Certificate of Award, provided that the average interest rate payable by this Authority over the life of the New Money Bonds shall not exceed six percent (6%) per annum.

The Board of Trustees hereby grants the authority to the Secretary-Treasurer to issue the Refunding Bonds at a later date, in any event no later than December 31, 2012, without the need for additional authorization from this Board of Trustees, so long as the issuance of the Refunding Bonds results in a debt service savings to the Authority.

Section 4. Based upon the written advice of the Financial Advisor, the Secretary-Treasurer may determine that (i) the New Money Bonds and/or the Refunding Bonds may be sold as tax-exempt or taxable bonds or any combination thereof, each in one or more series, or (ii) the New Money Bonds and/or the Refunding Bonds may be secured by a debt service reserve fund, or (iii) the New Money Bonds and the Refunding Bonds should be sold as one combined series, all as provided in the agreement for the sale of the Series 2012 Bonds. The Underwriters shall make the appropriate allocation in such agreement between tax-exempt and taxable Series 2012 Bonds and Series 2012 Bond proceeds to be used for the Series 2012 Project and Series 2012 Bond proceeds to be used to refund the Prior Bonds.

Section 5. The determinations made by the Secretary-Treasurer pursuant to this Resolution shall be made without further action of this Board of Trustees, shall be set forth in the Certificate of Award signed by the Secretary-Treasurer, and shall be conclusive.

The Board of Trustees hereby certifies, based on the certificate of the Secretary-Treasurer described in the final "Whereas" clause of this Resolution, that the total estimated annual debt charges in any calendar year on the Series 2012 Bonds authorized by this Resolution and the total annual debt charges on all indebtedness of the Authority that is expected to be outstanding immediately after the issuance of the Series 2012 Bonds do not exceed the estimated annual Revenues from the Sales Tax based on the average annual Revenues from the Sales Tax for the two prior calendar years.

The Series 2012 Bonds shall be callable for redemption at the option of the Authority in whole or in part on the dates, at such price or prices (but in any case not greater than 102% of the principal amount of the Series 2012 Bonds to be redeemed plus accrued interest to the redemption date) and at such times all as determined by the Secretary-Treasurer pursuant to this

Resolution, shall be made without further action of this Board of Trustees, shall be set forth in the Certificate of Award signed by the Secretary-Treasurer, and shall be conclusive.

If fewer than all of the outstanding Series 2012 Bonds of a single maturity are called for redemption, the selection of Series 2012 Bonds to be redeemed, or portions thereof in amounts of \$5,000 or any integral multiple thereof, shall be made by lot by the Paying Agent and Registrar (as hereinafter defined) in any manner which the Paying Agent and Registrar may determine. In the case of a partial redemption of Series 2012 Bonds when Series 2012 Bonds of denominations greater than \$5,000 are then outstanding, each \$5,000 unit of face value of principal thereof shall be treated as though it were a separate Series 2012 Bond of the denomination of \$5,000. If one or more, but not all, of such \$5,000 units of face value represented by a Series 2012 Bond are to be called for redemption, then upon notice of redemption of a \$5,000 unit or units, the registered holder of that Series 2012 Bond shall surrender the Series 2012 Bond to the Paying Agent and Registrar (a) for payment of the redemption price for the \$5,000 unit or units of face value called for redemption (including without limitation, the interest accrued to the date fixed for redemption and any premium), and (b) for issuance, without charge to the registered holder thereof, of a new Series 2012 Bond or Series 2012 Bonds of the same series, of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date as, the Series 2012 Bond surrendered.

The notice of call for redemption of Series 2012 Bonds shall identify (i) by designation, letters, numbers or other distinguishing marks, the Series 2012 Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption, and (iv) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Paying Agent and Registrar on behalf of the Authority by mailing a copy of the redemption notice by certified mail, return receipt requested, at least thirty (30) days prior to the date fixed for redemption, to the registered holder of each Series 2012 Bond subject to redemption in whole or in part at such registered holder's address shown on the Series 2012 Bond registration records on the fifteenth (15th) day preceding that mailing. Failure to receive notice by mailing or any defect in that notice regarding any Series 2012 Bond, however, shall not affect the validity of the proceedings for the redemption of any Series 2012 Bond. Notice having been mailed in the manner provided above, the Series 2012 Bonds and portions thereof called for redemption shall become due and payable on the redemption date and on such redemption date, interest on such Series 2012 Bonds or portions thereof so called shall cease to accrue; and upon presentation and surrender of such Series 2012 Bonds or portions thereof at the place or places specified in that notice, such Series 2012 Bonds or portions thereof shall be paid at the redemption price, including interest accrued to the redemption date.

Pending preparation of definitive Series 2012 Bonds, any Series 2012 Bonds may be initially delivered in temporary form exchangeable for definitive Series 2012 Bonds when such definitive Series 2012 Bonds are ready for delivery. The temporary Series 2012 Bonds may be printed, lithographed or typewritten and may contain such reference to any of the provisions of this resolution as may be appropriate. Every temporary Series 2012 Bond shall be executed by the Paying Agent and Registrar upon the same conditions and in substantially the same manner as definitive Series 2012 Bonds. If the Paying Agent and Registrar delivers temporary Series 2012 Bonds, it shall execute and furnish definitive Series 2012 Bonds at the earliest practicable time, and thereupon, the temporary Series 2012 Bonds shall be surrendered for cancellation at the principal office of the Paying Agent and Registrar, and the Paying Agent and Registrar shall deliver in exchange for such temporary Series 2012 Bonds an equal aggregate principal amount of definitive Series 2012 Bonds. Until so exchanged, the temporary Series 2012 Bonds shall be

entitled to the same benefits under this resolution as definitive Series 2012 Bonds delivered pursuant hereto.

It is hereby determined by this Board of Trustees that the issuance of the Series 2012 Bonds provided herein, including without limitation, the redemption provisions set forth above, are in the best interests of the Authority.

Section 6. That the Series 2012 Bonds shall express upon their faces the purpose for which they are issued and that they are issued pursuant to this Resolution. The Series 2012 Bonds shall be in fully registered form without coupons, shall be signed by the President of this Board of Trustees or his designee and by the Secretary-Treasurer of this Authority, provided that any or all such signatures may be facsimile signatures and shall bear the manual authenticating signature of an authorized representative of a bank or trust company determined by the Secretary-Treasurer of this Authority, as the paying agent, registrar and transfer agent (the "Paying Agent and Registrar") for the Series 2012 Bonds. The principal amount of each Series 2012 Bond shall be payable at the principal office of the Paying Agent and the Registrar and interest thereon shall be made on each interest payment date to the person whose name appears on the record date (May 15 and November 15 for June 1 and December 1 interest, respectively) on the Series 2012 Bond registration records as the registered holder thereof, by wire transfer, check or draft mailed to such registered holder at his address as it appears on such registration records.

The Series 2012 Bonds 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 or an office of the Paying Agent and Registrar as designated by the Paying Agent and Registrar or by wire transfer made at the request of a holder of at least \$1,000,000 aggregate principal amount of Series 2012 Bonds. The Authority and the Paying Agent and Registrar shall not be required to transfer any Series 2012 Bond during the 15-day period preceding any interest payment date or preceding any selection of Series 2012 Bonds to be redeemed, or after such Series 2012 Bond has been selected for partial or complete redemption, and no such transfer shall be effective until entered upon the registration records maintained by the Paying Agent and Registrar. Upon such transfer, a new Series 2012 Bond or Series 2012 Bonds of authorized denominations of the same maturity and for the same aggregate principal amount shall be issued to the transferee in exchange therefor.

The Authority and the Paying Agent and Registrar may deem and treat the registered holders of the Series 2012 Bonds as the absolute owners thereof for all purposes, and neither the Authority nor the Paying Agent and Registrar shall be affected by any notice to the contrary.

Section 7. That such Series 2012 Bonds shall be sold at not less than par (or as otherwise provided for in the Certificate of Award) and accrued interest by the Secretary-Treasurer of this Authority to Fifth Third Securities, Inc., as representative of Rice Financial Products Company and KeyBanc Capital Markets, Inc. (collectively, the "Underwriters") in accordance with its offer to purchase which the Secretary-Treasurer is hereby authorized to accept without further action of this Board of Trustees, and the proceeds from such sale, except any 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 accrued interest shall be transferred to the bond retirement fund to be applied to the payment of interest on such Series 2012 Bonds in the manner provided by law.

Section 8. The Series 2012 Bonds are special obligations of the Authority, and the principal of and interest (and any premium) on the Series 2012 Bonds are payable from the Sales Tax Revenues received by the Authority. The Series 2012 Bonds, and any other Indebtedness of the Authority shall be payable from the Sales Tax Revenues and shall be secured by the Trust Agreement which shall constitute a pledge and lien upon such Sales Tax Revenues. NOTWITHSTANDING ANY PROVISIONS IN THIS RESOLUTION, THE TRUST AGREEMENT OR THE SERIES 2012 BONDS TO THE CONTRARY, THE SERIES 2012 BONDS DO NOT CONSTITUTE A DEBT OR OBLIGATION OF THE STATE OR A GENERAL OBLIGATION DEBT, OR A PLEDGE OF THE FULL FAITH AND CREDIT, OF THE AUTHORITY, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, AND THE HOLDERS OR OWNERS OF THE SERIES 2012 BONDS HAVE NO RIGHT TO HAVE TAXES LEVIED BY THE GENERAL ASSEMBLY OR PROPERTY TAXES LEVIED BY THE TAXING AUTHORITY OF ANY POLITICAL SUBDIVISION OF THE STATE, INCLUDING THE COUNTY OR THE AUTHORITY, FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST (AND ANY PREMIUM) ON THE SERIES 2012 BONDS. Nothing herein shall be construed as requiring the Authority to use or apply to the payment of principal of and interest (and any premium) on the Series 2012 Bonds any funds or revenues from any source other than monies received pursuant to the Trust Agreement. Nothing herein, however, shall be deemed to prohibit the Authority, of its own volition, from using, to the extent that it is authorized by law to do so, any other resources for the fulfillment of any of the terms, conditions or obligations of this Resolution or of the Series 2012 Bonds.

Section 9. That this Board of Trustees determines that it is necessary and hereby authorizes the Authority to enter into a Trust Agreement by and between The Huntington National Bank (the "Trustee") and the Authority. That the Secretary-Treasurer be and hereby is authorized to execute and deliver the Trust Agreement with the Trustee, such Trust Agreement to be effective as of April 30, 2012, or such other date as approved by the Secretary-Treasurer.

That this Board of Trustees of the Authority hereby authorizes the Secretary-Treasurer to correspond with the Ohio Department of Taxation to provide for the direct deposit of the Sales Tax Revenues into the Collection Fund to be established by the Trustee pursuant to the Trust Agreement. All monies held by the Trustee shall be held in interest-bearing accounts and invested as directed by the Authority in compliance with applicable State investment laws. The Collection Fund and the Bond Retirement Fund shall be held by the Trustee for the benefit of the Authority and the bondholders of the Authority's Indebtedness, but such disbursements and investments shall be completely within the control of the Authority according to Sections 5739.21(B) and 5741.03(B) of the Ohio Revised Code. Monies in the Collection Fund if not required to be deposited into the Bond Retirement Fund, may be transferred by the Authority to the depository bank holding the general fund of the Authority as provided in the Trust Agreement.

As set forth in the Trust Agreement, the Trustee shall transfer the amounts required for the payment of principal and interest (and any premium) on the outstanding Indebtedness of the Authority from the Bond Retirement Fund to the appropriate accounts of the Authority maintained by the paying agent(s) with respect to the Indebtedness.

Section 10. As provided herein, the Series 2012 Bonds, and any other Indebtedness of the Authority shall be payable from the Sales Tax Revenues and shall be secured by the Trust Agreement constituting a pledge and lien upon such Sales Tax Revenues. The payment of debt service on the Series 2012 Bonds is secured pursuant to the Trust Agreement. The Authority has agreed under the Trust Agreement that the State will deposit the Sales Tax Revenues directly into the Collection Fund to be held by the Trustee and the Trustee shall transfer from

such Collection Fund into the Authority's Bond Retirement Fund an amount sufficient for the payment of principal and interest (and any premium) on the Series 2012 Bonds and on any other Indebtedness of the Authority which has been or may be subsequently issued and payable from the Collection Fund on parity with the Series 2012 Bonds (the "Parity Obligations"), all as further provided in such Trust Agreement.

The Authority has heretofore levied and covenants that it shall continue to collect the Sales Tax for so long as the Series 2012 Bonds are outstanding. The Authority hereby covenants and agrees that, so long as the Series 2012 Bonds are outstanding, it shall not suffer the repeal, amendment or any other change in this Resolution, the Trust Agreement, or the proceedings authorizing the Sales Tax, that in any way materially and adversely affects or impairs (a) the sufficiency of the Sales Tax levied and the Sales Tax Revenues collected or otherwise available for the payment of the Series 2012 Bonds or (b) the pledge, lien or the application of the Sales Tax Revenues to the payment of the Series 2012 Bonds and other Indebtedness of the Authority.

If the Authority shall pay or cause to be paid and discharged the Series 2012 Bonds, the covenants, agreements and other obligations of the Authority hereunder and in the Series 2012 Bonds shall be discharged and satisfied. The Authority shall be considered to have caused a Series 2012 Bond to be paid and discharged if the Authority has placed in escrow, and pledged for the payment of debt charges on such Series 2012 Bond, money or direct or guaranteed obligations of the United States, or a combination of those obligations, determined by an independent accounting firm experienced in making such determinations to be sufficient, with the interest or other investment income accruing on those direct or guaranteed obligations, for the payment of debt charges on that Series 2012 Bond. For purposes of this Section, "direct obligations of or obligations guaranteed as to payment by the United States" includes rights to receive payment or portions of payments of the principal of or interest or other investment income on those obligations, and other obligations fully secured as to payment by those obligations and the interest or other investment income on those obligations.

Section 11. The Authority may in the future issue additional sales tax bonds on parity with the Series 2012 Bonds. The Secretary-Treasurer of this Authority may agree in the Certificate of Award to reasonable limits on the future issuance of Parity Obligations, consistent with that officer's determination of the best interest of and financial advantage to the Authority.

The Authority covenants that it shall not issue any additional Parity Obligations unless it provides a certificate of the Authority certifying (i) that the reasonably projected Sales Tax Revenues to be received from and after the date of delivery of such additional Parity Obligations are sufficient in time and amount to pay all debt service on all Parity Obligations outstanding immediately after delivery of any additional Parity Obligations when due without regard to any optional redemption, and (ii) that the Sales Tax Revenues during the twelve (12) consecutive calendar months in which the Sales Tax Revenues were greatest in the eighteen (18) months immediately preceding the calendar month in which any additional Parity Obligations are to be issued, was at least 150% - 225% of the greatest amount of debt service on all Parity Obligations to be outstanding immediately after delivery of any such additional Parity Obligations due and payable during any calendar year. Such final determination of the percentage provided above (150% - 225%) shall be in a certificate provided by the Secretary-Treasurer based upon the written advice of the Financial Advisor prior to the sale of the Series 2012 Bonds.

For bond anticipation notes, the debt service on the bonds anticipated by the notes shall be used in calculating compliance with any such agreement.

Section 12. To the extent that the Series 2012 Bonds are issued as tax-exempt obligations, this Board of Trustees hereby covenants that it will restrict the use of the proceeds of the Series 2012 Bonds 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 Secretary-Treasurer of this Authority or any other officer having responsibility with respect to the issuance of such Series 2012 Bonds is authorized and directed to give an appropriate certificate on behalf of this Authority on the date of delivery of the Series 2012 Bonds for inclusion in the 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.

The Series 2012 Bonds are not designated "qualified tax exempt obligations" for the purposes set forth in Section 265(b)(3) of the Code.

Section 13. That the form of preliminary official statement with respect to such Series 2012 Bonds now on file with this Board of Trustees, the distribution thereof to prospective purchasers of the Series 2012 Bonds, and the deeming thereof to be near 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 or his designee, the General Manager/Secretary-Treasurer of this Authority and the Deputy General Manager of Finance & 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 Series 2012 Bonds for distribution to prospective purchasers of the Series 2012 Bonds 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 Series 2012 Bonds within seven business days of the date of the final agreement to sell the Series 2012 Bonds, and such signers are hereby authorized to make such determinations regarding the final official statement as are required by such Rule.

The Authority hereby covenants and agrees that it will execute, comply with and carry out all of the provisions of a continuing disclosure certificate dated the date of issuance and delivery of the Series 2012 Bonds (the "Continuing Disclosure Certificate") in connection with the issuance of the Series 2012 Bonds. Failure to comply with any such provisions of the Continuing Disclosure Certificate shall not constitute a default on the Series 2012 Bonds; however, any holder of the Series 2012 Bonds may take such action as may be necessary and appropriate, including seeking specific performance, to cause the Authority to comply with its obligations under this paragraph and the Continuing Disclosure Certificate.

Section 14. 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 Series 2012 Bonds may be transferred only through a book entry, and (ii) physical Series 2012 Bond certificates in fully registered form are issued only to the Depository or its nominee as registered owner, with the Series 2012 Bonds “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 Series 2012 Bonds 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 Series 2012 Bonds or principal and interest, and to effect transfers of Series 2012 Bonds, 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 Series 2012 Bonds may be initially issued to a Depository for use in a book entry system, and the provisions of this Section shall apply to such Series 2012 Bonds, notwithstanding any other provision of this Resolution. If and as long as a book entry system is utilized with respect to any of such Series 2012 Bonds: (i) there may be one or more Series 2012 Bonds of each maturity; (ii) those Series 2012 Bonds 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 Series 2012 Bonds in book entry form shall have no right to receive Series 2012 Bonds in the form of physical securities or certificates; (iv) ownership of beneficial interests in any Series 2012 Bonds 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 Series 2012 Bonds 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 Series 2012 Bonds 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 Series 2012 Bonds 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 Series 2012 Bond in the custody of a Depository providing for making all payments to that owner of principal and interest on that Series 2012 Bond 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 Series 2012 Bond, 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 Series 2012 Bond 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 Series 2012 Bonds 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 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 Series 2012 Bonds to the Depository for use in a book entry system.

If any Depository determines not to continue to act as Depository for the Series 2012 Bonds for use in a book entry system, this Authority and the Paying Agent 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 Series 2012 Bonds from the Depository and authenticate and deliver Series 2012 Bond 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 Series 2012 Bonds), 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.

In the event the book-entry only system is discontinued, principal of and any redemption premium on the Series 2012 Bonds will be payable when due to the registered owners thereof upon presentation and surrender thereof at the principal corporate trust office of the Paying Agent and Registrar or an office of any Paying Agent and Registrar or by wire transfer made at the request of a holder of at least \$1,000,000 aggregate principal amount of Series 2012 Bonds; interest thereon will be payable when due by the Paying Agent and Registrar by check or draft, mailed or delivered on the interest payment date to the registered owner at the address shown for the Paying Agent and Registrar as of the last day of the calendar month preceding the interest payment date or at an office of any Paying Agent and Registrar or by wire transfer made at the request of a holder of at least \$1,000,000 aggregate principal amount of Series 2012 Bonds; and the Series 2012 Bonds will be exchangeable for the Series 2012 Bonds of authorized denominations, and transferable, at the office of the Paying Agent and Registrar without charge (except taxes or other governmental fees). No transfer or exchange of the Series 2012 Bonds may be required to be made (i) between the fifteenth (15th) day preceding the mailing of a notice of redemption and the date of such mailing or (ii) of any Series 2012 Bond selected for redemption (in whole or in part).

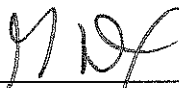
Section 15. That the President of the Board of Trustees or his designee, the General Manager/Secretary-Treasurer and the Deputy General Manager of Finance & Administration of this Authority are hereby authorized without further action of this Board of Trustees to execute and deliver (i) an agreement for the sale of such Series 2012 Bonds with the purchaser thereof; (ii) an agreement with the Paying Agent and Registrar for its services as paying agent, registrar and transfer agent for the Series 2012 Bonds; (iii) an agreement to provide bond insurance for any portion of the Series 2012 Bonds with a bond insurer; and (iv) any additional documents as shall be deemed necessary or appropriate in furtherance of the issuance of the Series 2012 Bonds and the carrying out of the transactions authorized by this Resolution or contemplated by the instruments referred to in this Resolution, 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 16. With respect to the funding of any escrow fund(s) necessary or appropriate in connection with the refunding of the Prior Bonds with a portion of the proceeds of the Refunding Bonds, the General Manager/Secretary-Treasurer or the Deputy General Manager of Finance & Administration of this Authority is hereby authorized to take any and all appropriate action for the order and purchase, at the appropriate time, of escrow securities such as state and local government securities, open market treasuries and similar defeasance obligations (the "Escrow Securities") for the credit of such escrow fund(s) and if necessary, to execute an escrow agreement (the "Escrow Agreement") with an escrow trustee to be selected by the General Manager/Secretary-Treasurer or the Deputy General Manager of Finance & Administration in the Certificate of Award for the refunding of such Prior Bonds. Such Escrow Securities may be in the form or forms recommended in writing by the Financial Advisor and approved by Peck, Shaffer & Williams LLP. The Financial Advisor (or a subsidiary or related entity of the Financial Advisor), is hereby specifically authorized to procure on behalf of the Authority, at the appropriate time, escrow securities such as open market treasuries and similar defeasance obligations for the credit of the escrow fund(s) as provided in the Escrow Agreement. Any attorney with the firm of Peck, Shaffer & Williams LLP is hereby specifically authorized to execute and file on behalf of the Authority any subscriptions for United States Treasury Obligations, State and Local Government Series, as may be necessary, in order to fund, in part, such escrow fund(s) in connection with the refunding of the Prior Bonds. In addition, the General Manager/Secretary-Treasurer or the Deputy General Manager of Finance & Administration of this Authority is hereby authorized to employ a verification agent with respect to the refunding of the Prior Bonds.

Section 17. 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 Ohio Revised Code.

Section 18. That this Resolution shall take effect immediately upon its adoption.

Adopted: April 17, 2012



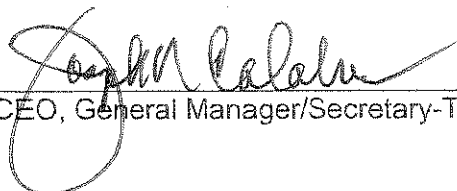
President

Attest: 

CEO, General Manager/Secretary-Treasurer

CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of a Resolution adopted on the 17 day of April, 2012 and that a copy thereof was certified to the Fiscal Officer of Cuyahoga County, Ohio on April, 2012.



CEO, General Manager/Secretary-Treasurer

RECEIPT

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

By: _____
Fiscal Officer
Cuyahoga County, Ohio

Dated: _____, 2012



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: ISSUANCE OF SALES TAX SUPPORTED BONDS TO SUPPORT THE AUTHORITY'S CAPITAL PROGRAM AND REFUNDING OF OUTSTANDING BONDS	Resolution No.: 2012-35
	Date: April 12, 2012
	Initiator: Cash Management
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

- 1.0 **PURPOSE/SCOPE:** This action will authorize the issuance of \$27,000,000 of new money bonds for the purpose of paying part of the costs of the Authority's capital improvement program and cost of issuance, and \$75,000,000 in advance refunding bonds to refinance a portion of the Greater Cleveland Regional Transit Authority General Obligation Bonds, Series 2004, and Series 2006, and Series 2008A for a not to exceed total of \$102,000,000. The resolution further authorizes the Secretary-Treasurer to sell the bonds to Fifth Third Securities as representative of Rice Financial Products and KeyBanc Capital Markets (collectively, the "Underwriters") in accordance with the offer from Fifth Third Investments to purchase, which the Secretary-Treasurer is authorized to accept, without further action of the Board of Trustees.

- 2.0 **DESCRIPTION/JUSTIFICATION:** The sale of Series 2012 Sales Tax Supported Bonds will be issued for the purpose of paying part of the costs of the capital improvement program, which includes the University, Mayfield, and Brookpark rail stations, rehabilitation of bridges, transit centers, tracks, road stations, bus stops, park and rides, the heavy and light rail systems, and the bus improvement program. The sale may include the issuance of refunding bonds in an amount sufficient to purchase securities to defease a portion of the Series 2004 Bonds, a portion of the Series 2006 Bonds, and a portion of the Series 2008A Bonds.

- 3.0 **PROCUREMENT BACKGROUND:** The Authority secured the Services of underwriting firms through a competitive process in 2010.

- 4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** Does not apply.

- 5.0 **POLICY IMPACT:** The bonds are being issued within the constraints of the Greater Cleveland Regional Transit Authority's Financial and Debt Policies. The sale of Series 2012 Sales Tax Supported Bonds for the purpose of refunding bonds is contingent on favorable present value savings. The portion of the debt issue, which is new debt, will be used to support the local portion of the capital program.

- 6.0 **ECONOMIC IMPACT:** The sale of Series 2012 Sales Tax Supported Bonds is in accordance with the 2012 budget and will be used to pay a portion of the Authority's capital program. The refunding portion of the issue may result in debt service savings to the Authority over the life of the Series 2012 Sales Tax Supported Bonds compared to future debt service requirements on the Series 2004 General Obligation Bonds, the Series 2006 General Obligation Bonds, and the Series 2008A General Obligation Bonds. The amount of debt service savings realized is dependent on market conditions at the time of sale. Financing costs will be paid out of the proceeds of the debt issue.

- 7.0 ALTERNATIVES: Rejection of this resolution will prevent the Authority from meeting its budgeted capital improvement goals and eliminate the current opportunity to refund a portion of the Series 2004 General Obligation Bonds, the Series 2006 General Obligation Bonds, and the Series 2008A General Obligation Bonds, resulting in the Authority's not realizing a possible debt service savings that the refunding would provide.
- 8.0 RECOMMENDATION: A presentation on the sale of the Sales Tax Bonds and the amendment to the definition of indebtedness is planned for the April 17, 2012 Finance Committee meeting.
It is recommended that this resolution be adopted.
- 9.0 ATTACHMENTS: None.

Recommended and certified as appropriate
to the availability of funds, legal form and
conformance with the Procurement requirements.



CEO, General Manager/Secretary-Treasurer