

OHIO TURNPIKE COMMISSION

Resolution No. 381-1953 Requesting Sale and Reinvestment by Co-trustee
Under Section 603 of Trust Agreement

WHEREAS it is contemplated by the trust agreement securing the Commission's Turnpike Revenue Bonds, Project No. 1, that the moneys derived from the sale of said bonds (except for expenditures provided for in said agreement) shall be kept invested by the co-trustee thereunder in United States Government obligations maturing in amounts and at times (as nearly as practicable) as may be necessary to provide funds when needed for construction costs as set forth in the statement of the consulting engineer dated July 24, 1952, and filed pursuant to clause (b) of section 208 of said agreement;

WHEREAS the advertising for bids for construction of said turnpike project was in large measure delayed for many months by the pendency of the mandamus suit instituted by Richard Shafer which in turn changed the times when funds for construction have been and will be needed, and the consulting engineer has delivered to this commission its written statement dated August 18, 1953, setting forth its present estimate of withdrawals required monthly from the construction fund, which estimate differs substantially from said statement of July 24, 1952, and requires a reconsideration of the investments of said fund, which were made on the basis of said statement of July 24, 1952, and of the revised estimate of the consulting engineer dated May 4, 1953; and

WHEREAS the co-trustee by memorandum of August 27, 1953, transmitted with its letter of August 27, 1953, to John Soller, comptroller, has suggested for consideration (based on the new schedule of cash withdrawals from the construction fund) the sale of \$38 million U.S. Treasury 1 3/8% Notes due March 15, 1954, and the reinvestment of the proceeds thereof as follows: either (1) by purchase of \$38 million 2 5/8% Treasury Certificates due August 15, 1954 or (2) by purchase of approximately \$22 million Treasury Bills, maturing over a 90-day period to provide funds as needed during such period in accordance with said estimate of August 18, 1953, and purchase of approximately \$16,000,000 U.S. Treasury 2% Bonds due September 15, 1953, following which the said \$16,000,000 of bonds together with the \$51,348,000 of U.S. Treasury 2% Bonds due September 15, 1953, now held will be exchanged for 2 5/8% Treasury Certificates due September 15, 1954, as now offered by the Treasury Department; one alternative or the other to be selected by the co-trustee depending upon which one provides, as of the date of consummation, the more favorable yield; said suggestion having been made because of the aforesaid new schedule of fund requirements, and because the yield on the Commission's funds will be substantially increased without any risk of loss, and without any loss of income because of uninvested moneys;

NOW, THEREFORE, BE IT

RESOLVED that the co-trustee, The National City Bank of New York, be and it is hereby requested, pursuant to section 603 of said agreement, to sell the \$38 million U.S. Treasury 1 3/8% Notes due March 15, 1954, described in the preambles hereto, and to reinvest the proceeds in that one of the two alternatives described in the preambles hereto which at the time of consummation shall produce the greater net yield to the Commission, and shall produce a yield on said funds to March 15, 1954, greater than the yield on said \$38 million if no reinvestment is made.

(Copy hereof furnished to comptroller and Henry Crawford, Esq.; certified copy to National City Bank of New York)