

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

Resolution Establishing Ohio Turnpike and Infrastructure Commission's Policies Concerning Debt Service and Liquidity

WHEREAS, pursuant to Chapter 5537 of the Ohio Revised Code, as amended (the "Act"), the Ohio Turnpike and Infrastructure Commission (the "Commission") has from time to time issued Turnpike Revenue Bonds of the State for the purpose of financing costs of Turnpike Projects pursuant to a Master Trust Agreement dated as of February 15, 1994, as amended by the First through Seventeenth Supplemental Trust Agreements thereto, and as amended and restated by the Amended and Restated Master Trust Agreement (Eighteenth Supplemental Trust Agreement) dated as of April 8, 2013, and as further amended, pursuant to Resolution No. 45-2013, by the Nineteenth Supplemental Trust Agreement (collectively, the "Senior Lien Master Trust Agreement"), between the Commission and The Huntington National Bank, as Trustee (the "Senior Lien Trustee"); and

WHEREAS, the Commission proposes to issue Turnpike Revenue Bonds pursuant to the Act to finance costs of Infrastructure Projects (as defined in the Act) and Turnpike projects and, pursuant to Resolution No. 44-2013, has authorized entering into a Junior Lien Master Trust Agreement (the "Junior Lien Master Trust Agreement") with The Huntington National Bank, as Trustee (the "Junior Lien Trustee"), to secure those bonds (the "Junior Lien Bonds") by a pledge of and lien on the System Pledged Revenues on a basis that is junior and subordinate to the Senior Lien Bonds; and

WHEREAS, capitalized words and terms used and not otherwise defined in this Resolution have the meanings assigned in the Junior Lien Master Trust Agreement, unless the context otherwise requires; and

WHEREAS, pursuant to Resolution No. 46-2013, the Commission has authorized the issuance of a Series of Junior Lien Bonds to finance Infrastructure Projects pursuant to the Junior Lien Master Trust Agreement and a First Supplemental Junior Lien Trust Agreement; and

WHEREAS, via Resolution No. 13-1994, the Commission adopted a fiscal policy to require that it would maintain a ratio of System Pledged Revenues to Senior Lien Annual Debt Service Requirements of 150%; and

WHEREAS, in connection with the execution of the Nineteenth Supplemental Senior Lien Trust Agreement, the Junior Lien Master Trust Agreement and the First Supplemental Junior Lien Trust Agreement, and with the goal of issuing Senior Lien Bonds and Junior Lien Bonds on terms that are advantageous to the Commission, and based on the advice of the Commission's financial advisor, Professional Financial Management, Inc. ("PFM"), it is the desire of the Commission to amend its fiscal policy to require that it will maintain a ratio of System Pledged Revenues to Senior Lien Annual Debt Service Requirements in an amount equal to at least 200% under the Senior Lien Master Trust Agreement; and

WHEREAS, it is also the desire of the Commission for the reasons stated above to adopt a new fiscal liquidity policy to maintain cash and investment balances equal to or greater than at least three hundred sixty-five days of the Cost of Operation, Maintenance and Administration in the combined balances contained in the General Reserve Fund, the Non-Trust Fund, the Service Plaza Capital Improvement Fund, the Fuel Tax Fund, the System Projects Fund and the Renewal and Replacement Fund; and

NOW, THEREFORE BE IT

RESOLVED that it is declared to be the fiscal policy of the Ohio Turnpike and Infrastructure Commission that it will use its best efforts to maintain a ratio of System Pledged Revenues to Senior Lien Annual Debt Service Requirements of at least 200% under the Senior Lien Master Trust Agreement, and in the event that such ratio has not been maintained or it would appear that the Commission may not be able to maintain such ratio, it shall direct the Executive Director and the CFO/Comptroller to take such action as deemed necessary to

reestablish such ratio including, but not limited to, review of revenues and reduction of expenditures; and

FURTHER RESOLVED that Resolution No. 13-1994 is hereby rescinded; and

FURTHER RESOLVED that it is declared to be the fiscal policy of the Ohio Turnpike and Infrastructure Commission that it will use its best efforts to maintain cash and investment balances equal to or greater than three hundred sixty-five days of the Cost of Operation, Maintenance and Administration in the combined balances of the General Reserve Fund, the Non-Trust Fund, the Service Plaza Capital Improvement Fund, the Fuel Tax Fund, the System Projects Fund and the Renewal and Replacement Fund, and in the event that such liquidity has not been maintained or it would appear that the Commission may not be able to maintain such liquidity, it shall direct the Executive Director and the CFO/Comptroller to take such action as deemed necessary to reestablish such liquidity including, but not limited to, review of revenues and reduction of expenditures; and

FURTHER RESOLVED that a certified copy of this Resolution shall be transmitted to the Senior Lien Trustee and the Junior Lien Trustee, the Rating Agencies, and shall be available to any interested party.

(Resolution No. 47-2013 adopted July 15, 2013)