

Bill No. 2795-06

No. 28-06-OR

AN ORDINANCE

Authorizing the incurring of nonelectoral debt by the issuance of adjustable rate demand general obligation bonds, series C-58A and C-58B, in an aggregate principal amount not to exceed \$50,000,000. ordinance of the County of Allegheny, Pennsylvania (the "County") (1) authorizing the incurring of nonelectoral debt in an aggregate principal amount not to exceed \$50,000,000 through the issuance of Adjustable Rate Demand General Obligation Bonds, Series C-58A, and Adjustable Rate Demand General Obligation Bonds, Series C-58B, for the purpose of providing funds to pay a portion of the County's costs of various bridge and road projects approved in the Allegheny County capital budget and capitalized interest with respect thereto to the extent the County deems appropriate; (2) finding a private sale by negotiation to be in the best interest of the County; (3) approving a maximum interest rate and maximum maturity date for the Bonds; (4) authorizing certain officials to accept a proposal for the purchase of Bonds; (5) appointing a trustee, paying agent, remarketing agent, tender agent, registrar and sinking fund depository; (6) authorizing the execution of trust indentures, providing the terms of the bonds, provisions for the payment and security therefore, including a sinking fund and other funds, and the form of bonds; (7) covenanting to pay debt service; (8) pledging full faith, credit and taxing power for the payment of the Bonds; (9) establishing sinking funds; (10) appropriating the bond proceeds; (11) ratifying prior advertisement and directing further advertisement; (12) appointing various professionals; (13) authorizing the preparation, certification and filing of an application and debt statement with the department of community and economic development; (14) authorizing approval of preliminary official statements, if any, and final official statements; (15) providing for investment of funds; (16) authorizing the execution of agreements to provide a letters of credit to support payments on the bonds; (17) authorizing the taking of certain actions with respect to continuing disclosure; (18) authorizing and directing the preparation, execution and delivery of all other required documents and the taking of all other required action; and (19) repealing inconsistent ordinances or any parts thereof.

Whereas, the County desires: to (i) undertake various bridge and road projects approved in the Allegheny County Capital Budget; (ii) capitalize interest with respect to such projects to the extent the County deems appropriate; and (iii) pay certain costs of issuing the Bonds (as hereinafter defined) (the "Project"); and

Whereas, the County intends to issue its bonds in accordance with the terms of this Ordinance and the Local Government Unit Debt Act, Act of July 12, 1972, P.L. 781, No. 185, as amended and reenacted by Act No. 78-52, P. L. 124, as amended ("Debt Act"), to pay the costs of the Project; and

Whereas, J.P. Morgan Securities (the "Purchaser") is expected to present to the County a bond purchase proposal or agreement (the "Proposal") for the purchase of the Bonds (as hereinafter defined).

The Council of the County of Allegheny hereby enacts as follows:

Section 1. The Project.

The County hereby undertakes the Project as a project pursuant to §8101 of the Debt Act. The description of the Project contained in the recitals to this Ordinance is hereby incorporated into this Section by reference as if set out at length.

Section 2. Incurrence of Indebtedness.

For the purpose of providing funds for and toward the payment of costs, as such term is used in the Debt Act, of the Project, the incurrence of nonelectoral debt by the County in an aggregate principal amount not to exceed \$50,000,000 is hereby authorized. Such debt shall be evidenced by two series of general obligation bonds of the County to be issued in succession in accordance with the provisions of §8101(3) of the Debt Act, a series designated "County of Allegheny, Pennsylvania, Adjustable Rate Demand General Obligation Bonds, Series C-58A" (the "Series C-58A Bonds") in an aggregate principal amount not to exceed \$30,000,000 and a series designated "County of Allegheny, Pennsylvania, Adjustable Rate Demand General Obligation Bonds, Series C-58B" (the "Series C-58B Bonds," and together with the Series C-58A Bonds, the "Bonds") in an aggregate principal amount not to exceed \$20,000,000.

Section 3. Approval of Private Sale.

After considering the advantages and disadvantages of a public sale of the Bonds, County Council hereby determines that a private sale by negotiation is in the best financial interests of the County.

Section 4. Authorization of Acceptance of Proposal.

The Chief Executive, the County Manager and/or the Director, Department of Budget and Finance (each, an "Authorized Officer") are hereby authorized and directed to execute and deliver an acceptance of (i) the Proposal to be presented by the Purchaser, subject to the Proposal being satisfactory to such Authorized Officer, the initial interest rate for each of the Series C-58A Bonds and C-58B Bonds not exceeding 7%, the term not extending beyond 2017, with a price of 100% and an underwriting fee not to exceed 1% of the par amount of the Bonds and (ii) a supplement to the Proposal to be presented by the Purchaser which is satisfactory to such Authorized Officer and includes the specific interest rate or rates and maturity date or dates and awards Bonds to the Purchaser at a negotiated sale for the price stated therein.

Section 5. Terms of the Bonds; Authorization of the Trust Indenture and Sinking Funds.

(a) Terms of the Bonds. The County shall and does authorize the issuance of the Bonds which shall contain the following provisions and such additional provisions as shall be set forth in the Indenture.

(i) Interest. The Bonds shall bear interest at a variable rate payable on those interest payment dates and in the manner set forth in the form of Bond attached hereto as Exhibit A; provided, however that the maximum interest rate to be borne by the Bonds shall never exceed twelve percent (12%) per annum;

(ii) Maturity: The Series C-58A Bonds shall be dated the date of issuance and delivery and shall mature on November 1, 2016. The Series C-58B Bonds shall be dated the date of issuance and delivery and shall mature on November 1, 2017, both subject to redemption prior to maturity;

(iii) Bond Form. The Bonds shall be issued in substantially the form set forth in Exhibit A attached hereto and incorporated herein as if set forth at length, with such insertions, deletions and revisions as needed to distinguish the two series of Bonds.

(iv) Redemption and Tender. The Bonds shall be subject to redemption prior to maturity in accordance with the schedule included in the form of Bond attached hereto as Exhibit A and in Exhibit B attached hereto, and incorporated herein as if set forth at length. Both series of the Bonds will be subject to optional redemption and both optional and mandatory tender as set forth in the form of Bond attached hereto as Exhibit A attached hereto;

(v) Letter of Credit. The payment of principal or purchase price of and interest on the Bonds shall be payable from moneys advanced under the terms of a letter of credit delivered in accordance with the authorization contained in Section 18 hereof.

(b) The Bonds authorized to be issued by this Ordinance shall be issued under and subject to the provisions of the Indenture (defined below). The Authorized Officers are hereby authorized to enter into two substantially identical trust indentures in accordance with the provisions of §8148 of the Debt Act, one with respect to the Series C-58A Bonds to be dated as of November 15, 2006 (the "2006 Indenture") and one with respect to the Series C-58B Bonds to be dated as of such date as the Authorized Officer executing the same and the Purchaser shall determine (the "2007 Indenture," and collectively with the 2006 Indenture, the "Indenture"), with Wells Fargo Bank, N. A., a national banking association with an office in Pittsburgh, Pennsylvania, as trustee (the "Trustee"), which Indenture shall provide for the issuance and delivery of the Bonds with terms as set forth in the preceding provisions of this Section 5, shall provide for the creation of funds accounts to be held in trust by the Trustee for the security of the holders of the Bonds and the issuer of the letter of credit supporting the payment of principal or purchase price of and interest on the Bonds, including, among others, the Sinking Fund, and shall be in such form and shall contain such other terms as the Authorized Officers executing said Indenture, the County Solicitor and Bond Counsel, shall deem necessary and appropriate. The execution, attestation and delivery of the Indenture by the Authorized Officers shall constitute conclusive evidence of such approval.

(c) Sinking Fund. The County hereby covenants that there shall be established in each Indenture a sinking fund (the "Sinking Fund") required by the provisions of the Debt Act, which Sinking Fund shall be held in trust by the Trustee in accordance with the terms of the Indenture and the Debt Act.

The County covenants and the Treasurer of the County is hereby authorized and directed to deposit into Sinking Funds held by the Trustee under the respective Indentures (i) on or before each interest payment date specified in the form of Bond and the respective Indentures, amounts sufficient to pay, together with other available moneys in such Sinking Fund, including without limitation earnings on investments in such fund, the interest due on such dates on the Bonds then outstanding; (ii) on or before each date on which the Bonds or a portion thereof mature or are subject to mandatory redemption, amounts sufficient, together with other available moneys in such Sinking Fund, including without limitation earnings on investments in such fund, to pay the outstanding principal of the Bonds maturing or subject to mandatory redemption on each such date.

Should the amounts covenanted to be paid into Sinking Fund be, at any time, in excess of the net amounts required at such time for the payment of principal or interest then due, whether by reason of funds already on deposit in Sinking Fund or by reason of the purchase of Bonds, or for some similar reason, the amounts covenanted to be paid may be reduced to the extent of the excess.

Section 6. Appointment of Paying Agent, Registrar, Sinking Fund Depository, Remarketing Agent and Tender Agent.

The Trustee is hereby appointed Paying Agent ("Paying Agent"), Tender Agent (the "Tender Agent") and Bond Registrar ("Registrar") and Sinking Fund Depository ("Sinking Fund Depository") for the Bonds. J.P. Morgan Securities is hereby appointed Remarketing Agent for the Bonds. The Director, Department of Budget and Finance, is hereby authorized and directed to contract with those entities for their services as Trustee, Sinking Fund Depository, Paying Agent, Tender Agent, Remarketing Agent and Registrar, respectively, at such initial and annual charges as shall be appropriate and reasonable for such services. The County may, by Ordinance, from time to time appoint a successor Trustee, Paying Agent, Sinking Fund Depository, Tender Agent, Remarketing Agent or Registrar to fill a vacancy or for any other reason.

Section 7. General Obligation Covenant.

The Bonds, when issued, will be general obligations of the County. The County covenants to and with registered owners, from time to time, of the Bonds which shall be outstanding, from time to time, pursuant to this Ordinance, that the County: (i) shall include the amount of the debt service for the Bonds, for each fiscal year of the County in which such sums are payable, in its budget for that fiscal year, (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from its Sinking Funds or any other of its revenues or funds the maturity amount of each of the Bonds at the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the County shall and does pledge, irrevocably, its full faith, credit and taxing power.

As provided in the Act, the foregoing covenant of the County shall be specifically enforceable.

The amount of debt service which the County hereby covenants to pay on the Bonds in each year (assuming interest on the Bonds at the maximum rate authorized herein and in each Indenture of twelve percent (12%) per annum) is shown on Exhibit C which is attached hereto and incorporated herein by reference as if set out here at length.

The County covenants to cause payments to be made out of the respective Sinking Funds held by the Trustee under the respective Indentures, or to make payments out of any other of its revenues or funds, at such times and in such annual amounts, as shall be sufficient for prompt and full payment of all obligations of the Bonds when due.

Section 8. Disposition of Proceeds

The net proceeds derived from the sale of the Bonds (total proceeds less the underwriter's discount) shall be delivered to the Trustee for deposit to the Clearing Fund established under the Indenture. Upon the written direction of an Authorized Officer of the County, a portion of the proceeds shall be applied by the Trustee to the payment of the costs of issuance of the Bonds. The balance of the aggregate net proceeds of the Bonds shall, upon the written direction of an Authorized Officer of the County, be delivered to the County Treasurer and shall be and hereby are appropriated substantially to the payment of the costs of the Project, and shall not be used for any other purposes, except as to any insubstantial amounts of money which may remain after fulfilling the purposes set forth herein, which minor amounts of remaining moneys shall promptly upon their determination be deposited in the Sinking Fund and used for the payment of interest on the Bonds.

Section 9. Cost and Realistic Useful Life.

Reasonable cost estimates have been obtained for the Project with the assistance of financial advisors and other persons qualified by experience. The cost of the Project is at least \$50,000,000. The useful life of the Project financed with the proceeds of the Bonds is not less than eleven (11) years and expires no earlier than the final maturity date of the C-58B Bonds. Therefore, the maturities of the Bonds are in accordance with 53 Pa. C.S.A. §8142(a)(2)(i). The first principal payment or mandatory redemption date for the Bonds is within the later of two years from the date of issue of the Bonds and one year of the expected completion of the Project in accordance with 53 Pa. C.S.A. 8142(c).

Section 10. Advertising.

The action of the officers of the County in advertising a summary of this Ordinance, as required by law, is ratified and confirmed. The officers of the County or any of them, are authorized and directed to advertise a notice of enactment of this Ordinance in a newspaper of general circulation in the County within fifteen (15) days after final enactment. The County Manager is hereby directed to make a copy of this Ordinance available for inspection by any citizen during normal office hours.

Section 11. Appointment of Professionals.

The County hereby appoints Buchanan Ingersoll & Rooney, P.C. as Bond Counsel, for the purpose of rendering any and all necessary opinions with respect to the tax-exempt status of the Bonds, R. Darryl Ponton and Associates, as Underwriter's Counsel and J.P. Morgan Securities as Underwriter (the "Purchaser").

Section 12. Filing With Department of Community and Economic Development.

The County Manager is hereby authorized and directed to prepare, verify and file with the Department of Community and Economic Development, in accordance with the Debt Act, a transcript of the proceedings relating to the issuance of the Bonds including the Debt Statement and Borrowing Base Certificate required by 53 Pa. C.S.A. §8110 of the Debt Act (which the County Controller is hereby requested to prepare), and to take other necessary action, and to prepare and file all necessary documents with the Department of Community and Economic Development including, if necessary or desirable, any statements required to exclude any portion of the debt evidenced by the Bonds from the appropriate debt limit as self-liquidating or subsidized debt and to take all other necessary and proper action in connection therewith, including the payment to the Pennsylvania Department of Community and Economic Development of the filing fees as required by the Debt Act, the payment of which filing fees are hereby authorized and approved.

Section 13. General Authorization.

The officers and officials of the County are hereby authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effect the execution, issuance, sale and delivery of the Bonds, all in accordance with this Ordinance.

Section 14. Official Statements.

The Director, Department of Budget and Finance, of the County and the County Solicitor are hereby authorized to approve the Preliminary Official Statements, if any, prepared with respect to the Bonds. The Chief Executive or such other officers of the County as are authorized by law are hereby authorized to execute and approve a final Official Statements relating to the respective series of the Bonds and any amendments or supplements to the same, provided that the final Official Statement and any amendment and/or supplement shall have been approved by the County's Solicitor. Once approved as set forth herein, the Purchaser is hereby authorized to use the Preliminary Official Statements (if any) and the final Official Statements (and any amendment or supplement thereto) in connection with the sale of the respective series of the Bonds.

Section 15. Payment of Expenses.

All expenses incurred in connection with issuance of the Bonds shall be paid out of the proceeds derived from the issuance of the Bonds and the proper officers of the County are authorized to approve requests for payment of such expenses and to pay such expenses.

Section 16. Investment.

Moneys in the Sinking Funds and the other funds established under the Indentures not required for prompt expenditure may, at the written direction of the County, be invested in such investments as authorized by law, as specified in the Indenture.

Section 17. Authorization of Officers.

Any authorization granted to, power conferred on, or direction given to the Chief Executive, County Manager, County Treasurer, County Controller, or Director, Department of Budget and Finance, shall be deemed to run to the Deputy County Manager, Deputy or Acting Controller or Treasurer, Deputy or Acting Director, respectively, or to the holder of such similar successor office as may be in existence at the relevant time, as if such latter titles had been expressly included in the text hereof which grants such authorization, confers such power or gives such direction.

Section 18. Letters of Credit.

The County hereby authorizes the execution and delivery of one or more agreements with an appropriate bank or financial institution to provide a letters of credit providing for the payment of the tender purchase price of the respective series of the Bonds and providing additional credit enhancement for the payment of principal or redemption price of and interest on the respective series of the Bonds. The Authorized Officers are hereby authorized to execute and delivery such agreements with JPMorgan Chase Bank, N. A., the initial provider of the letters of credit supporting payments on the respective series of the Bonds.

Section 19. Disclosure to Information Repository.

The County will enter into a continuing disclosure agreement in order to assist the Purchaser in complying with subsection (b)(5) of SEC Rule 15c2-12. The proper officers and officials of the County are hereby authorized and directed to execute and deliver such agreement.

Section 20. Severability.

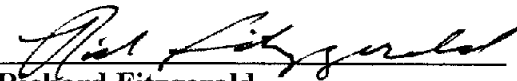
If any provision of this Ordinance shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Ordinance which shall be in full force and effect.

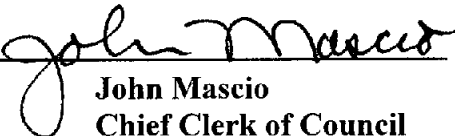
Section 21. Repealer.

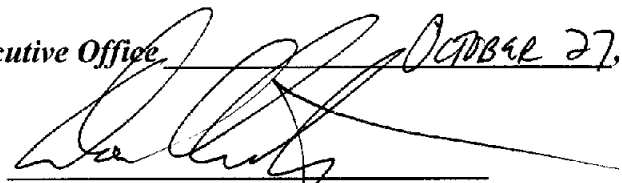
Any Ordinance or Resolution or part thereof conflicting with the provisions of this Ordinance is hereby repealed so far as the same affects this Ordinance.

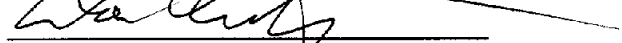
Enacted in Council, this 24th day of October, 2006.

Council Agenda No. 2795-06.


Richard Fitzgerald
President of Council

Attest: 
John Mascio
Chief Clerk of Council

Chief Executive Office  October 27, 2006.

Approved: 
Dan Onorato
Chief Executive

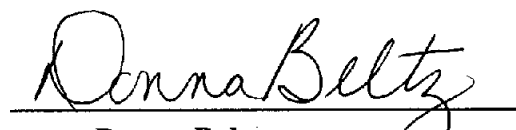
Attest: 
Donna Beltz
Executive Secretary

EXHIBIT A

[FORM OF REGISTERED BOND]

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Authority or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

COUNTY OF ALLEGHENY, PENNSYLVANIA **Adjustable Rate Demand General Obligation Bonds, Series C-58A/58B**

MATURITY DATE	ORIGINAL ISSUE DATE	INTEREST MODE	CUSIP	NUMBER
November 1, 2016/2017	_____, 2006/2007	VARIABLE RATE		R-1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THIRTY/TWENTY MILLION DOLLARS (\$30,000,000/\$20,000,000)

AS HEREINAFTER DESCRIBED, UNDER CERTAIN CIRCUMSTANCES ON CERTAIN DATES THIS BOND IS PERMITTED TO BE OR IS REQUIRED TO BE TENDERED FOR PURCHASE TO THE TENDER AGENT AT A PRICE EQUAL TO 100% OF THE PRINCIPAL AMOUNT HEREOF PLUS, INTEREST ACCRUED AND UNPAID HEREON TO BUT NOT INCLUDING THE DATE OF SUCH TENDER. THE OWNER HEREOF WHO ELECTS TO TENDER THIS BOND OR IS REQUIRED TO TENDER THIS BOND FOR PURCHASE SHALL BE ENTITLED SOLELY TO THE PAYMENT OF SUCH PURCHASE PRICE AND SHALL NOT BE ENTITLED TO THE PAYMENT OF ANY PRINCIPAL HEREOF OR ANY INTEREST ACCRUED HEREON ON OR AFTER SUCH DATE.

The **County of Allegheny, Pennsylvania** (the "County"), a county of the second class of the Commonwealth of Pennsylvania, duly organized and validly existing under the Constitution and laws of the Commonwealth,, for value received, hereby promises to pay in lawful money of the United States of America to the registered owner named above, or registered assigns, on the maturity date stated above, unless this Bond shall have previously been called for redemption and payment of the redemption price made or provided for, but solely from amounts specified herein, upon surrender hereof, the principal amount specified hereon, and to pay interest on the principal amount in like manner, but solely from amounts specified herein, from the Interest Payment Date next preceding the authentication date hereof, unless this Bond has been authenticated on the date of first authentication and delivery of the Bonds or on an Interest Payment Date to which interest has been paid, in which event interest shall be computed from such authentication date, at the rates per annum and on the dates determined as described herein and in the Indenture (hereinafter defined) until payment of the principal amount, or provision therefor, shall have been made upon redemption, at Maturity, upon acceleration or otherwise. The principal of, premium, if any, and interest on the Bonds (other than Bank Bonds) are payable only from Eligible Moneys, to the extent available.

The principal of and premium, if any, on Bonds bearing interest at a Variable Rate shall be payable at the designated payment office of the Trustee or at such other location designated in writing by the Trustee, notice of which designation shall be given to each Owner; provided, that any Owner of \$1,000,000 or more in aggregate principal amount of Bonds may be paid principal of and premium, if any, by wire transfer to an account in the United States, but only upon the presentation for payment and surrender of such Bonds at the designated payment office of the Trustee or at such other location designated in writing by the Trustee, notice of which designation shall be given (at the expense of the Trustee) to each Owner, and only if such Owner makes a written request of the Trustee, received before the close of the Trustee's business on the Record Date immediately preceding the date scheduled for the payment of such principal and premium, if any, which request shall specify the account address. Any payment of the purchase price of a Tendered Bond shall be payable at the designated office of the Tender Agent, upon presentation and surrender of such Bond, as hereinafter described.

Subject to the provisions of the Indenture applicable to Bonds issued in Book-Entry form, on each Interest Payment Date, interest due on each Bond shall be paid by check or draft mailed by the Trustee on such Interest Payment Date, any applicable Redemption Date (which has not been voided or cancelled as provided herein and provided notice of redemption has been duly given to the Owner of such Bond) and any Acceleration Date to the Person who is the Owner (as noted in the Bond Register) of such Bond on the Record Date for such Interest Payment Date at such Owner's address appearing on the Bond Register; provided, that any Owner of \$1,000,000 or more in aggregate principal amount of Bonds may be paid interest by wire transfer to an account in the United States, but only if, such Owner makes a written request of the Trustee, received before the close of the Trustee's business on the Record Date immediately preceding the date scheduled for the payment of such interest, if any, which request shall specify the account address. Anything herein to the contrary notwithstanding, payment of interest on Bonds which, as of the Regular Record Date for the applicable Interest Payment Date, constitute Bank Bonds, shall bear interest in accordance with the Reimbursement Agreement.

Interest during a Variable Rate Period shall be calculated on the basis of a 365/366 day year for the actual number of days elapsed.

This Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the designated office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture and upon surrender of this Bond. Upon such transfer a new Bond or Bonds of like date and tenor in Authorized Denominations of the same Maturity for the aggregate principal amount which the transferee or transferees are entitled to receive will be issued to the transferee or transferees in exchange therefor as provided in the Indenture. The County, the Trustee, the Tender Agent, the Remarketing Agent, the Bank and any Paying Agent may treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, redemption premium, if any, and interest due hereon and for all other purposes, and neither the County, the Trustee nor any paying agent shall be affected by any notice to the contrary. If any Bond is transferred or exchanged on the Bond Register by the Trustee after notice of the optional redemption or the optional or mandatory tender of such Bond has been given, the Trustee shall attach a copy of such notice to the Bond issued in connection with such transfer or exchange. The Trustee shall not be required to register the transfer or exchange of any Bond (i) during a period beginning at the opening of business fifteen days before the day of the mailing of notice of redemption of the Bonds and ending at the close of business on the day of such mailing, or (ii) at any time following the selection of such Bond, in whole or in part, for redemption.

DEFINITIONS

To the extent not defined herein, the terms used in this Bond shall have the same meanings as set forth in the Indenture.

"Alternate Letter of Credit" means a Letter of Credit provided in accordance with the Indenture (other than (a) the Initial Letter of Credit or (b) a Renewal Letter of Credit), including, without limitation, a letter of credit or line of credit of a commercial bank or a credit facility from a financial institution, including, among others, a bond insurance policy, surety bond or like collateralization, or a combination thereof, which provides security for payment of the principal of and interest on the Bonds when due (referred to in this definition as "credit support") and for payment of the purchase price of Bonds delivered or deemed delivered in accordance with Article V of the Indenture (referred to in this definition as "liquidity support"); provided that an Alternate Letter of Credit may be issued to provide only credit support or liquidity support so long as a separate Alternate Letter of Credit or Renewal Letter of Credit provides at all times while such Alternate Letter of Credit is in effect complementary credit support or liquidity support, as the case may be, so that at all times while any of the Bonds bear interest at a Variable Rate such Bonds (other than Bank Bonds) shall be entitled to credit support and liquidity support. Any amendment of a Letter of Credit which is not a Renewal Letter of Credit shall be an Alternate Letter of Credit.

"Authorized Denomination" means \$100,000 and \$5,000 multiples in excess thereof.

"Bank" means, with respect to the Bonds, the Initial Bank for the period during which the Initial Letter of Credit and initial Reimbursement Agreement are in effect, and thereafter shall mean the bank or other financial institution then obligated under the Renewal Letter of Credit and Renewal Reimbursement Agreement or Alternate Letter of Credit and alternate Reimbursement Agreement at the time in effect.

"Bank Bonds" means Tendered Bonds purchased with moneys drawn under the Letter of Credit and pledged to the Bank in accordance with the Reimbursement Agreement and the Pledge and Security Agreement.

"BMA Municipal Index" means The Bond Market Association Municipal Swap Index as of the most recent date for which such index was published or such other weekly, high-grade index comprised of seven-day, tax-exempt variable rate demand notes produced by Municipal Market Data, Inc., or its successor, or as otherwise designated by The Bond Market Association; provided, however, that, if such index is no longer produced by Municipal Market Data, Inc. or its successor, then "BMA Municipal Index" shall mean such other reasonably comparable index selected by the County.

"Business Day" means a day which is not (a) a Saturday or Sunday, (b) a day on which banking institutions in Pittsburgh, Pennsylvania or the State of New York or in any other city where the designated office of the Trustee, the office of the Bank, the designated office of the Tender Agent, or the Remarketing Agent is located are required or authorized by law (including executive order) or other governmental action to be closed or on which the designated office of the Trustee, the office of the Bank, the designated office of the Tender Agent, or the Remarketing Agent is closed for a reason not related to financial condition, or (c) a day on which The New York Stock Exchange is closed.

"Daily Rate Period" means any Variable Rate Period from and commencing on a Business Day and including and ending on the first day preceding the first Business Day thereafter.

"Eligible Moneys" means, with respect to the Bonds, (a) Bond proceeds deposited with the Trustee contemporaneously with the issuance and sale of the Bonds and which are continuously thereafter held subject to the lien of the Indenture in a separate and segregated fund, account or subaccount established hereunder in which no moneys which are not Eligible Moneys are at any time held, together with investment earnings on such Bond proceeds; (b) moneys (i) paid or deposited by the County or any Affiliate to or with the Trustee, (ii) held in any fund, account or subaccount established hereunder in which no other moneys which are not Eligible Moneys are held and (iii) which have so been on deposit with the Trustee for at least 123 days from their receipt by the Trustee, during and prior to which period no petition by or against the County or any Affiliate under any bankruptcy or similar law now or hereafter in effect shall have been filed and no bankruptcy or similar proceeding shall have been otherwise initiated (unless such petition or proceeding shall have been dismissed and such dismissal be final and not subject to appeal), together with investment earnings on such moneys; (c) moneys received by the Trustee or the Tender Agent from any draw on the Letter of Credit which are held in any fund, account or subaccount established hereunder in which no other moneys which are not Eligible Moneys are held, together with investment earnings on such moneys; and (d) moneys which are derived from any source, including without limitation moneys from the County or any Affiliate, together with the investment earnings on such moneys, if the Trustee has received an unqualified opinion of bankruptcy counsel experienced in bankruptcy matters and acceptable to the

Trustee and to each Rating Agency then maintaining a rating on the Bonds bearing interest at a Variable Rate (which opinion may assume that no Bondholder is an Insider) to the effect that payment of such amounts to Bondholders would not be avoidable as preferential payments under Section 547 of the United States Bankruptcy Code recoverable under Section 550 of the United States Bankruptcy Code should the County or any Affiliate become a debtor in a proceeding commenced thereunder; provided that such proceeds, moneys or income shall not be deemed to be Eligible Moneys or available for payment of the Bonds if, among other things, an injunction, restraining order or stay is in effect preventing such proceeds, moneys or income from being applied to make such payment. For the purposes of this definition, the term "moneys" shall include cash and any investment securities including, without limitation, Government Obligations.

"Expiration Date" means, as of any date, the date upon which any Letter of Credit is then scheduled to expire in accordance with its terms.

"Immediate Notice" means notice by telephone, telex or telecopier to such address as the addressee shall have directed in writing, promptly followed by written notice by first class mail, postage prepaid.

"Indenture" means the Trust Indenture dated as of November 15, 2006, between the County and Trustee.

"Initial Bank" means J.P. Morgan Chase Bank, N.A., in its capacity as issuer of the Initial Letter of Credit.

"Initial Letter of Credit" means the transferable irrevocable direct pay letter of credit delivered by the Initial Bank to the Trustee concurrently with the original issuance of the Bonds.

"Interest Component" means the maximum amount stated in the Letter of Credit (as reduced and reinstated from time to time in accordance with the terms thereof) which may be drawn for the payment of accrued interest on the Bonds or for the payment of the portion of the purchase price of Tendered Bonds corresponding to interest accrued on the Tendered Bonds.

"Interest Coverage Period" means the number of days for Bonds bearing interest in a particular interest mode which is used to determine the Interest Component, determined in accordance with the requirements of the Indenture in a manner consistent with the periods utilized in calculating interest accrued on Bonds in such interest mode.

"Interest Coverage Rate" means the rate which is used to determine the Interest Component, initially 10% per annum for Bonds in the Weekly Rate Period secured by the Initial Letter of Credit, and shall be specified for Bonds bearing interest in each subsequent mode by the Remarketing Agent in writing to the Trustee at the time such Bonds commence bearing interest in accordance with such mode, as such rate may be changed from time to time by the Remarketing Agent subject to compliance with the Indenture.

"Interest Payment Date" means (i) the first Business Day of each calendar month; (ii) each Mandatory Tender Date; (iii) the maturity date; and (iv) for Bonds called for redemption, the applicable redemption date.

"Letter of Credit" means the Initial Letter of Credit, Renewal Letter of Credit or Alternate Letter of Credit at the time in effect.

"Reimbursement Agreement" means, initially, the Letter of Credit and Reimbursement Agreement dated as of October 15, 2006 by and between the County and the Bank, and thereafter means the Agreements pursuant to which the Bank agrees to issue any Renewal Letter of Credit or Alternate Letter of Credit at the time in effect.

"Mandatory Tender Date" means any date on which a Bondholder is required to tender any Bond for purchase in accordance with the Indenture.

"Maturity Date" means November 1, 2016/2017.

"Optional Tender Date" means the date specified by a Bondholder in a Tender Notice for purchase of any Bond during a Variable Rate Period in accordance with the Indenture.

"Rating Agency" means each nationally recognized securities rating agency then maintaining a rating on the Bonds at the request of the County.

"Regular Record Date" means the Business Day immediately preceding an Interest Payment Date therefor.

"Renewal Date" means the Interest Payment Date next preceding the Stated Expiration Date of the Letter of Credit at the time in effect (or the next preceding Business Day if such day is not a Business Day).

"Renewal Letter of Credit" means a Letter of Credit provided in accordance with the Agreements which has been issued with terms and conditions identical to, and by the same provider of, the Letter of Credit in substitution for which the Renewal Letter of Credit is to be provided, except for: (a) an extension of the Stated Expiration Date; (b) an increase or decrease in the Interest Coverage Rate or the Interest Coverage Period; (c) an increase or decrease in the Interest Component; (d) an increase or decrease in the portion of the Letter of Credit designated to pay premium upon redemption or purchase of Bonds to the extent required or permitted by the Indenture; (e) changes in the business covenants contained in, the fees payable pursuant to and the interest rate on advances made under the Reimbursement Agreement; or (f) any combination of (a), (b), (c), (d) and (e).

"Special Record Date" means the date fixed by the Trustee pursuant the Indenture for the payment of Defaulted Interest.

"Stated Expiration Date" means the stated date of expiration or termination of the Letter of Credit, including any extensions thereof.

"Substitution Date" means the date specified pursuant to the Indenture upon which an Alternate Letter of Credit is to be substituted for the Letter of Credit then in effect which shall be the first day following a regularly scheduled Interest Payment Date.

"Tendered Bonds" means Bonds tendered or deemed tendered for purchase on an Optional Tender Date and a Mandatory Tender Date.

"Tender Notice" means the notice from a Bondholder to the Tender Agent of an Optional Tender Date in accordance with the provisions set forth in the Indenture.

"Tender Price" means 100% of the principal amount of any Bond plus, if an Optional Tender Date is not an Interest Payment Date, interest accrued and unpaid thereon to, but not including, the Optional Tender Date with respect to such Bond.

"Tender Agent" means any agent designated by the Trustee pursuant to the Indenture. The Trustee will not initially employ a Tender Agent.

"Variable Rate" means, with respect to the then effective Variable Rate Period, the lowest interest rate which, in the judgment of the Remarketing Agent, would enable the Bonds to be remarketed at the principal amount thereof, plus accrued interest thereon, if any, on the Variable Rate Adjustment Date with respect thereto (or, if the Remarketing Agent for any reason fails to determine such rate, the rate determined in accordance with the provisions set forth in the Indenture).

"Variable Rate Adjustment Date" means the first day of each Variable Rate Period.

"Variable Rate Conversion Date" means a date on which the Bonds begin to bear interest at a Variable Rate for a particular Variable Rate Period which is of a different type than the preceding Variable Rate Period. With respect to the provisions relating to Mandatory Tender Dates, any date on which notice has been mailed to the holders of the Bonds with respect to a proposed conversion of the rate period with respect to Bonds then bearing interest in a Variable Rate Period shall be deemed to be a Variable Rate Conversion Date, whether or not such conversion occurs.

"Variable Rate Period" means each Daily Rate Period, Weekly Rate Period and Monthly Rate Period.

"Weekly Rate Period" means any Variable Rate Period from and commencing on Thursday of any calendar week and including and ending on the Wednesday of the next calendar week; provided, however, that any Weekly Rate Period which does not follow another Weekly Rate Period shall commence on the Variable Rate Conversion Date with respect thereto and end on the first or second Wednesday thereafter, at the discretion of the Remarketing Agent in order to most efficiently effect the conversion, and any Weekly Rate Period which is not followed by another Weekly Rate Period shall commence on the last or second to last Thursday of a calendar month, at the discretion of the Remarketing Agent in order to most efficiently effect the conversion, and end on the day preceding the first Business Day of the next calendar month.

INTEREST RATES

The Bonds shall bear interest initially at a Variable Rate with a Weekly Rate Period from and including the date of initial issuance until a Variable Rate Conversion Date. The Bonds shall bear interest at the lesser of (i) the Interest Coverage Rate or (ii) the Variable Rate.

No Variable Rate Period shall be established which would cause the Interest Coverage Period of the Letter of Credit to be less than the requirements of the Indenture. No interest rate on a Bond shall be established during a Variable Rate Period which exceeds the Interest Coverage Rate.

VARIABLE RATES; CONVERSIONS TO VARIABLE RATE PERIODS

Determination by Remarketing Agent; Notice of Rates Determined. Except as hereinafter provided, the Variable Rate to be applicable to the Bonds during any Variable Rate Period shall be determined by the Remarketing Agent and notice thereof shall be given as follows:

- (i) Notice of each Variable Rate shall be available commencing on the Business Day immediately succeeding the date of determination by telephone from the Tender Agent upon request of any owner of a Bond.
- (ii) If the Remarketing Agent fails for any reason to determine the Variable Rate for any Variable Rate Period when required under the Indenture: (A) for Bonds in a Daily Rate Period, Weekly Rate Period or Monthly Rate Period, the Variable Rate for such Rate Period shall be equal to the BMA Municipal Index until the Remarketing Agent next determines the Variable Rate as required under the Indenture.
- (iii) All determinations of Variable Rates shall be conclusive and binding upon the holders of the Bonds to which such rates are applicable. Failure by the Trustee or the Tender Agent to give any notice as herein provided, any defect therein, and any failure by any Bondholder to receive any such notice (including without limitation any Immediate Notice) shall not extend the period for making elections, in any way change the rights of the owners of Bonds to elect to have such Bonds purchased, in any way change the conditions which must be satisfied in order for such election to be effective or for payment of the purchase price to be made after an effective election or in any way change such owner's obligation to tender the Bonds for purchase.

Daily Rates, Weekly Rates and Monthly Rates. A Variable Rate shall be determined by the Remarketing Agent (i) for each Daily Rate Period not later than 10:30 a.m., Prevailing Eastern time, on the commencement date of the Daily Rate Period to which it relates and (ii) for each Weekly Rate Period or Monthly Rate Period not later than 10:00 a.m., Prevailing Eastern time, on the commencement date

of the Weekly Rate Period or Monthly Rate Period, as applicable, to which it relates (or the preceding Business Day if such day is not a Business Day).

Conversions between Variable Rate Periods. At the option of the County, the Bonds may be converted from one Variable Rate Period to another and from a Term Rate Period of one length to a Term Rate Period of a different length as follows:

- (i) In any such case, the Variable Rate Conversion Date shall be a regularly scheduled Interest Payment Date on which interest is payable for the Variable Rate Period from which the conversion is to be made; provided, however, that if the conversion is from a Term Rate Period to a different Variable Rate Period or a Term Rate Period of a different length, the Variable Rate Conversion Date shall be limited to a regularly scheduled Interest Payment Date on which a new Term Rate Period would otherwise have commenced.
- (ii) Not less than fifteen (15) days prior to the Variable Rate Conversion Date in the case of conversions between Daily and Weekly Rate Periods and not less than thirty (30) days prior to the Variable Rate Conversion Date in all other cases, the Tender Agent shall mail a written notice of the conversion to the holders of all Bonds to be converted. The Bonds will be subject to Mandatory tender for purchase on the Variable Rate Conversion Date.
- (iii) The Variable Rate for the Variable Rate Period commencing on the Variable Rate Conversion Date shall be determined by the Remarketing Agent in the manner provided above on the date set forth above applicable to the Variable Rate Period to which the conversion shall be made. Notice of such Variable Rates shall be given or made available on the dates and to the parties specified above in the manner provided above applicable to the Variable Rate Period to which the conversion shall be made.

PURCHASE OF THE BONDS

Optional Tenders

The holders of Bonds bearing interest at Variable Rates may elect to have their Bonds or portions thereof in whole multiples of Authorized Denominations (any tender of less than all of the holders Bonds shall be made in such a manner that all Bonds held by such holder after such tender are in Authorized Denominations) purchased at the Tender Price of such Bonds (or portions), on the following Optional Tender Dates and upon the giving of the following oral (which may be by telephone but which must be promptly confirmed in writing) or written (which may be by telecopy or facsimile communication) notices meeting the further requirements described below:

- (i) Daily Rate Period. During a Daily Rate Period, Bonds may be tendered for purchase on any Business Day upon oral or written notice of tender given to the Tender Agent not later than 9:30 a.m., Prevailing Eastern time, on the Optional Tender Date; and
- (ii) Weekly Rate Period. During a Weekly Rate Period, Bonds may be tendered for purchase on any Business Day upon oral or written notice of tender to the Tender Agent not later than 5:00 p.m., Prevailing Eastern time, on a Business Day not less than seven (7) days prior to the Optional Tender Date; and
- (iii) Monthly Rate Period. During a Monthly Rate Period, Bonds may be tendered for purchase on any Business Day upon oral or written notice of tender to the Tender Agent not later than 5:00 p.m., prevailing Eastern time, on a Business Day not less than fourteen (14) days prior to the Optional Tender Date.

Notice of Tender. Each notice of tender:

- (i) shall, in the case of a written notice, be delivered to the Tender Agent at its corporate trust office and be in form satisfactory to the Tender Agent;
- (ii) shall, whether delivered orally or in writing, state (A) the name and address of such Bondholder and the principal amount of the Bond to which the notice relates, (B) that the Bondholder irrevocably demands purchase of such Bond or a specified portion thereof in a whole multiple of an Authorized Denomination, (C) the Optional Tender Date on which such Bond or portion is to be purchased and (D) the payment instructions with respect to the Tender Price; and
- (iii) shall automatically constitute, whether delivered orally or in writing (A) an irrevocable offer to sell the Bond (or portion thereof) to which the notice relates on the Optional Tender Date to any purchaser selected by the Remarketing Agent, at a price equal to the Tender Price of such Bond (or portion thereof), (B) an irrevocable authorization and instruction to the Tender Agent to effect transfer of such Bond (or portion thereof) upon payment of the Tender Price to the Tender Agent on the Optional Tender Date, (C) an irrevocable authorization and instruction to the Tender Agent to effect the exchange of the Bond to be purchased in whole or in part for other Bonds in an equal aggregate principal amount so as to facilitate the sale of such Bond (or portion thereof to be purchased), and (D) an acknowledgment that such Bondholder will have no further rights with respect to such Bond (or portion thereof) upon payment of the Tender Price thereof to the Tender Agent on the Optional Tender Date, except for the right of such Bondholder to receive such Tender Price upon surrender of such Bond to the Tender Agent.

The determination of the Tender Agent as to whether a notice of tender has been properly delivered pursuant to the foregoing shall be conclusive and binding upon the owner of such Bond.

Delivery of Bonds. All Bonds to be purchased on any Optional Tender Date shall be required to be delivered to the corporate trust office of the Tender Agent by (i) 12:00 noon, Prevailing Eastern time, on the Optional Tender Date.

Mandatory Tender Upon Conversions among Variable Rate Periods

Variable Rate Conversions. Variable Rate Bonds which are subject to conversion on any Variable Rate Conversion Date shall be subject to mandatory tender for purchase on the Variable Rate Conversion Date (which Variable Rate Conversion Date includes the proposed effective date of a conversion with respect to Variable Rate Bonds contained in a notice mailed to the holders of the Bonds in accordance with the Indenture in the case of a failed conversion) at the Tender Price.

Notice to Bondholders. Any notice of a conversion given to Bondholders shall state that the Bonds to be converted will be subject to mandatory tender for purchase on the Variable Rate Conversion Date at the Tender Price, and will specify the time at which Bonds are to be tendered for purchase with respect.

Delivery of Bonds. All Bonds to be purchased shall be required to be delivered to the corporate trust office of the Tender Agent by (i) 12:00 noon, Prevailing Eastern time, on the Mandatory Tender Date to Bonds during a Daily or Weekly Rate Period; or (ii) 5:00 p.m., Prevailing Eastern time, on the second Business Day prior to the Mandatory Tender Date with respect to Bonds during Term Rate Periods.

Mandatory Tenders Upon Substitution or Termination of Letter of Credit

- (i) **Substitution of the Letter of Credit with an Alternate Letter of Credit.** The Bonds (other than Bank Bonds, Bonds owned by the County or an Affiliate) are subject to mandatory tender for purchase at a purchase price equal to the Tender Price on the regularly scheduled Interest Payment Date immediately preceding the effective date of any substitution of the Letter of Credit with an Alternate Letter of Credit.
- (ii) **No Renewal Letter of Credit.** The Bonds are subject to mandatory tender for purchase at a purchase price equal to the Tender Price on any Renewal Date if by the tenth day preceding such Renewal Date the Trustee has not received a Renewal Letter of Credit.
- (iii) **Default under the Reimbursement Agreement or Non-reinstatement of Interest Component.** The Bonds are subject to mandatory tender for purchase at a purchase price equal to the Tender Price on the fifteenth day (or the next preceding Business Day if such day is not a Business Day) after receipt by the Trustee of notice from the Bank of the occurrence of a default under the Reimbursement Agreement or notice within the applicable period specified in the Reimbursement Agreement that the Bank is not reinstating the Letter of Credit following a drawing to pay interest on the Bonds; provided that (i) the purchase date shall be at least five days prior to the termination of the Bank's obligation to honor draws under the Letter of Credit and (ii) no purchase shall be required if prior to the purchase date the Trustee receives written notice from the Bank that the default has been cured in accordance with the provisions of the Reimbursement Agreement or the Bank has reinstated the Letter of Credit following an interest drawing, as the case may be, and the Letter of Credit is, as of the date of such notice to the Trustee, in full force and effect and will not terminate as a result of such termination notice from the Bank.

Notice to Bondholders. The Tender Agent shall mail notice to Bondholders of any mandatory tender as follows: (i) pursuant to (i) or (ii) above, not less than fifteen (15) days prior to the purchase date, and (ii) pursuant to (iii), on the Business Day next succeeding receipt by the Trustee of the notice from the Bank described therein.

Delivery of Bonds. All Bonds to be purchased shall be required to be delivered to the corporate trust office of the Tender Agent by (i) 12:00 noon, Prevailing Eastern time, on the Mandatory Tender Date.

Purchase of Tendered Bonds: Payments by the Tender Agent. By 3:00 p.m., Prevailing Eastern time, on the Optional Tender Date or Mandatory Tender Date set for purchase of tendered Bonds and upon receipt by the Tender Agent of 100% of the aggregate purchase price of the tendered Bonds, the Tender Agent shall pay the purchase price of such Bonds to the holders thereof at its Principal Office or by bank wire transfer. Such payments shall be made in immediately available funds. If sufficient funds are not available for the purchase of all tendered Bonds, no purchase shall be consummated.

Effect of Failure to Surrender Bonds. If the owner of any Bond (or portion thereof) that is subject to purchase fails to deliver such Bond to the Tender Agent for purchase on the Optional Tender Date or Mandatory Tender Date and if the Tender Agent is in receipt of the purchase price therefor, such Bond (or portion thereof) shall nevertheless be deemed purchased on the day fixed for purchase thereof and ownership of such Bond (or portion thereof) shall be transferred to the purchaser. Any Bondholder who fails to deliver a Bond for purchase as required above shall have no further rights thereunder except the right to receive the purchase price thereof upon presentation and surrender of said Bond to the Tender Agent. Such delivery shall be a condition to payment of the purchase price by the Tender Agent on the Optional Tender Date or Mandatory Tender Date.

Failed Conversion. If on a Variable Rate Conversion Date, any condition precedent to such conversion required under the Indenture shall not be satisfied, such conversion shall not occur, but the mandatory tender shall remain effective.

Inadequate Funds for Tenders. If the funds available for purchases of Bonds are inadequate for the purchase of all Bonds required to be purchased on any purchase date, the Tender Agent shall immediately: (i) return all Tendered Bonds to the holders thereof; (ii) return all moneys received for the purchase of such Bonds to the Persons providing such moneys; and (iii) notify all Bondholders in writing (A) that an Event of Default has occurred, and (B) of the rate to be effective pursuant to the provisions of the Indenture.

Tender Agent. The Trustee may appoint a Tender Agent with the power to act on the Trustee's behalf and subject to its direction in the authentication and delivery of the Bonds and in connection with registration of transfers and exchanges, tenders, redemptions, notices and purchase thereof and payments thereon, as fully to all intents and purposes as though the Tender Agent had been expressly authorized under the Indenture to authenticate, deliver, pay, transfer and exchange Bonds, receive tender notices, purchase tendered Bonds and make payments on the Bonds. As of the original issue date of the Bonds, the Trustee will not appoint a Tender Agent.

Remarketing Agent. J.P. Morgan Securities, Inc. has been appointed as the initial Remarketing Agent. The Remarketing Agent may be replaced in accordance with the provisions of the Indenture.

Effect of Notices. Failure by the Trustee or the Tender Agent to give any notice, or any defect therein, shall not extend the period for making elections or in any way change the rights of the owners of such Bonds to elect to have their Bonds purchased on any Optional Tender Date or Mandatory Tender Date. Any notice mailed as provided in the Indenture shall be conclusively presumed to have been given, whether or not the owner of such Bonds receives the notice.

REDEMPTION

Optional Redemption. The Bonds shall be subject to redemption prior to maturity at the option of the County from Eligible Moneys on deposit in the Bond Fund (including proceeds of a draw on the Letter of Credit on deposit in the LOC Debt Service Account), in whole or in part (and if in part in an Authorized Denomination) on any Interest Payment Date (and, if in part, by the redemption of any Bank Bonds first and thereafter by lot), at a redemption price equal to 100% of the principal amount thereof plus accrued interest, if any, to the date fixed for redemption.

Special Optional Redemption. Any Bonds which are Bank Bonds shall be subject to redemption in whole or in part at any time prior to the Maturity Date at the option of the County out of amounts prepaid under the Loan Agreement and deposited in the Debt Service Fund, on any Business Day while such Bonds are Bank Bonds at a redemption price equal to 100% of the principal amount thereof plus accrued interest, if any, to the redemption date.

Mandatory Redemption. The Bonds are subject to mandatory redemption prior to maturity from Eligible Moneys on deposit in the Bond Fund (including proceeds of a draw on the Letter of Credit on deposit in the LOC Debt Service Account), in part by lot as selected by the Trustee, on November 1 of each year as set forth below, in the respective principal amounts listed opposite each such year, at a redemption price equal to 100% of the principal amount thereof plus interest accrued to the redemption date.

C-58A Bonds Maturing 11/1/2016

Mandatory Redemption Date	Principal
11/1/2007	\$ 2,440,000.00
11/1/2008	\$ 2,550,000.00
11/1/2009	\$ 2,665,000.00
11/1/2010	\$ 2,785,000.00
11/1/2011	\$ 2,910,000.00
11/1/2012	\$ 3,045,000.00
11/1/2013	\$ 3,180,000.00
11/1/2014	\$ 3,325,000.00
11/1/2015	\$ 3,470,000.00
11/1/2016	\$ 3,630,000.00

C-58B Bonds Maturing 11/1/2017

Mandatory Redemption Date	Principal
11/1/2008	\$ 1,630,000.00
11/1/2009	\$ 1,700,000.00
11/1/2010	\$ 1,775,000.00
11/1/2011	\$ 1,855,000.00
11/1/2012	\$ 1,940,000.00
11/1/2013	\$ 2,030,000.00
11/1/2014	\$ 2,120,000.00
11/1/2015	\$ 2,215,000.00
11/1/2016	\$ 2,315,000.00
11/1/2017	\$ 2,420,000.00

*Maturity

General Provisions Regarding Redemptions. No redemption of less than all of the Bonds outstanding shall be made unless in Authorized Denominations. Any redemption of less than all of the Bonds Outstanding shall be made first from Bank Bonds. Any redemption of less than all of the Bonds Outstanding shall be made in such a manner that all Bonds Outstanding after such redemption are in Authorized Denominations. Any redemption of less than all of the Bonds Outstanding shall be made first from Bank Bonds.

Notice of Redemption. Except as hereinafter provided, a copy of the notice of the call for any redemption identifying the Bonds to be redeemed shall be given by the Trustee to the Bondholders by first class mail, postage prepaid, not less than 15 days and not more than 30 days prior to the date fixed for redemption to the registered owners of Bonds to be redeemed at their addresses as shown on the Bond Register. Such notice shall specify the redemption date, the redemption price, the place and manner of payment and that from the redemption date interest will cease to accrue on the Bonds which are the subject of such notice and shall include such other information as the Trustee shall deem appropriate or necessary at the time such notice is given to comply with any applicable law, regulation or industry standard. If at the time of mailing of any notice of redemption the County shall not have deposited with the Trustee moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is subject to the deposit of the redemption moneys (and, if such redemption is required to be accomplished with Eligible Moneys and the Trustee cannot draw upon the Letter of Credit to effect such redemption, such moneys shall be Eligible Moneys) with the Trustee not later than the opening of business on the redemption date and shall be of no effect unless such moneys are so deposited. Immediate Notice of any such redemption shall also be given to the Remarketing Agent promptly following the giving of notice to the Bondholders as aforesaid.

Failure to give notice in the manner prescribed in the Indenture with respect to any Bond, or any defect in such notice, shall not affect the validity of the proceedings for redemption for any Bond with respect to which notice was properly given. Upon the happening of the above conditions and if sufficient moneys are on deposit with the Trustee on the applicable redemption date to redeem the Bonds to be redeemed and to pay interest due thereon and premium, if any (which moneys are Eligible Moneys to the extent such payments are required under the Indenture to be made with Eligible Moneys), the Bonds thus called shall not after the applicable redemption date bear interest, be protected by the Indenture or be deemed to be outstanding under the provisions of the Indenture.

GENERAL

This Bond is one of a duly authorized series of Bonds, designated "Adjustable Rate Demand General Obligation Bonds, Series C-58A/58B" of the County (the "Bonds"), issued in accordance with Local Government Unit Debt Act of the General Assembly of the Commonwealth of Pennsylvania, as codified by the Act of December 19, 1996 (P.L. 1158, No. 177) (the "Debt Act"), pursuant to all the terms and provisions of the ordinance enacted by the County (the "Ordinance"), and with the approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

The County has covenanted, in the Ordinance, to and with registered owners, from time to time, of the Bonds that shall be outstanding, from time to time, pursuant to the Ordinance, that the County: (i) shall include the amount of the debt service for the Bonds, for each fiscal year of the County in which such sums are payable, in its budget for that fiscal year, (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from the sinking fund established under the Ordinance or any other of its revenues or funds, the principal of and interest on each of the Bonds at the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the County has pledged and does pledge, irrevocably, its full faith, credit and taxing power.

Letter of Credit. From the date of their original issuance, the Bonds (other than Bank Bonds) will be secured by a transferable, irrevocable direct pay letter of credit (the "Letter of Credit") being issued by J.P.Morgan Chase Bank, N.A. (the "Initial Bank") to the Trustee. The Trustee will be authorized under the Letter of Credit, subject to the terms and conditions thereof, to draw up to (1) an amount equal to the aggregate principal of the Outstanding Bonds sufficient (i) to pay the principal of the Bonds when due at maturity or upon redemption or acceleration or (ii) to pay the portion of the purchase price corresponding to the principal of the Bonds tendered for purchase pursuant to the Indenture to the extent remarketing proceeds are not available for such purpose, plus (2) an amount equal to 34 days' accrued interest on the outstanding Bonds while the Bonds bear interest at the Weekly Rate (as defined hereinafter) in effect during a Weekly Rate Period (as defined hereinafter) (i) to pay interest on the Bonds when due or (ii) to pay the portion of the purchase price of the Bonds tendered for purchase pursuant to the Indenture corresponding to the accrued interest, if any, on such Bonds to the extent remarketing proceeds are not available for such purpose. The Letter of Credit expires on _____, unless terminated earlier pursuant to its terms or extended. The Letter of Credit is being issued pursuant to a Letter of Credit and Reimbursement Agreement dated as of _____, 2006 (the "Reimbursement Agreement") between the County and the Initial Bank.

The County may, subject to the provisions of the Reimbursement Agreement and the Indenture, at any time arrange for the deposit with the Trustee of a Renewal Letter of Credit or an Alternate Letter of Credit in substitution for the existing Letter of Credit. The Letter of Credit then in effect may be replaced only if the requirements specified in the Indenture are satisfied.

The executed counterparts of the Indenture and the Letter of Credit are on file at the corporate trust office of the Trustee in Pittsburgh, Pennsylvania.

No recourse shall be had for the payment of the principal of or premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Indenture against any past, present or future officer,

director, member, employee or agent of the County, or any incorporator, officer, director, member, trustee, employee or agent of any successor corporation or body politic, as such, either directly or through the County or any successor corporation or body politic, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, directors, trustees, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and the issuance of any of the Bonds.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the Indenture or any trust indenture supplemental thereto, the Agreement or any agreement supplemental thereto, may be made only to the extent and in the circumstances permitted by the Indenture and the Agreement.

This Bond shall not be entitled to any right, security or benefit under the Indenture or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the Trustee or the Tender Agent, by execution of the certificate of authentication inscribed hereon.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of the Bonds in order to make them legal, valid and binding obligations of the County in accordance with their terms, and the execution of the Indenture have happened, exist and have been performed as so required; the County has received payment in full for the Bonds; and no limitation of indebtedness, either statutory or constitutional, has been exceeded in the issuance of the Bonds.

This Bond, notwithstanding the provisions for registration of transfer stated herein and contained in the Indenture, at all times shall be and shall be understood to be an investment security within the meaning of and for all the purposes of the Uniform Commercial Code of Pennsylvania. This Bond is issued with the intent that the laws of the Commonwealth of Pennsylvania shall govern its construction.

IN WITNESS WHEREOF, COUNTY OF ALLEGHENY, PENNSYLVANIA has caused this Bond to be signed by the facsimile signature of its County Executive and the facsimile of its corporate seal to be printed hereon and attested by the facsimile signature of an Authorized Officer of the County.

Attest:

COUNTY OF ALLEGHENY, PENNSYLVANIA

Authorized Officer

By: _____
County Executive

(Facsimile Seal)

TRUSTEE'S AUTHENTICATION CERTIFICATE

This Bond is one of the Bonds described in the within-mentioned Indenture. The text of opinion printed hereon is the text of the opinion of Buchanan Ingersoll & Rooney, P. C., Pittsburgh, Pennsylvania, Bond Counsel, on file with the undersigned, which was dated and delivered on the date of initial delivery of and payment for the Bonds.

WELLS FARGO BANK, N.A., Trustee

By _____
Authorized Signatory

Date of Authentication:

ASSIGNMENT

For value received _____ hereby sells, assigns and transfers unto
the within Bond issued by the County of
Allegheny, Pennsylvania, and all rights thereunder, hereby irrevocably appointing
to transfer said Bond on the Bond Register, with full power of substitution
in the premises.

Dated: _____

Signature Guaranteed*: _____
* Signature(s) must be Guaranteed by a member of an approved Signature Guarantee Medallion Program.

NOTICE* The signature to this assignment must correspond with the name as it appears upon the face of within Bond in every particular, without alteration or any change whatever.

The following abbreviations when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)
under Uniform Gifts to Minors Act _____ (State)

[END OF FORM OF BOND]

EXHIBIT B

Mandatory Redemption Provisions

C-58A Bonds Maturing 11/1/2016

Mandatory Redemption Date	Principal
11/1/2007	\$ 2,440,000.00
11/1/2008	\$ 2,550,000.00
11/1/2009	\$ 2,665,000.00
11/1/2010	\$ 2,785,000.00
11/1/2011	\$ 2,910,000.00
11/1/2012	\$ 3,045,000.00
11/1/2013	\$ 3,180,000.00
11/1/2014	\$ 3,325,000.00
11/1/2015	\$ 3,470,000.00
11/1/2016	\$ 3,630,000.00

C-58B Bonds Maturing 11/1/2017

Mandatory Redemption Date	Principal
11/1/2008	\$ 1,630,000.00
11/1/2009	\$ 1,700,000.00
11/1/2010	\$ 1,775,000.00
11/1/2011	\$ 1,855,000.00
11/1/2012	\$ 1,940,000.00
11/1/2013	\$ 2,030,000.00
11/1/2014	\$ 2,120,000.00
11/1/2015	\$ 2,215,000.00
11/1/2016	\$ 2,315,000.00
11/1/2017	\$ 2,420,000.00

*Maturity

EXHIBIT C

Maximum Debt Service at assumed 12% Interest Rate

\$30 Million C-58A Bonds Maturing 11/1/2016

Period Ending	Maturity Date	Principal	Coupon	Interest	Debt Service
12/31/2006					
12/31/2007	11/1/2007	2,440,000	12.00%	3,600,000	6,040,000
12/31/2008	11/1/2008	2,550,000	12.00%	3,307,200	5,857,200
12/31/2009	11/1/2009	2,665,000	12.00%	3,001,200	5,666,200
12/31/2010	11/1/2010	2,785,000	12.00%	2,681,400	5,466,400
12/31/2011	11/1/2011	2,910,000	12.00%	2,347,200	5,257,200
12/31/2012	11/1/2012	3,045,000	12.00%	1,998,000	5,043,000
12/31/2013	11/1/2013	3,180,000	12.00%	1,632,600	4,812,600
12/31/2014	11/1/2014	3,325,000	12.00%	1,251,000	4,576,000
12/31/2015	11/1/2015	3,470,000	12.00%	852,000	4,322,000
12/31/2016	11/1/2016	3,630,000	12.00%	435,600	4,065,600

\$20 Million C-58B Bonds Maturing 11/1/2017

Period Ending	Maturity Date	Principal	Coupon	Interest	Debt Service
12/31/2007					
12/31/2008	11/1/2008	1,630,000	12.00%	2,400,000	4,030,000
12/31/2009	11/1/2009	1,700,000	12.00%	2,204,400	3,904,400
12/31/2010	11/1/2010	1,775,000	12.00%	2,000,400	3,775,400
12/31/2011	11/1/2011	1,855,000	12.00%	1,787,400	3,642,400
12/31/2012	11/1/2012	1,940,000	12.00%	1,564,800	3,504,800
12/31/2013	11/1/2013	2,030,000	12.00%	1,332,000	3,362,000
12/31/2014	11/1/2014	2,120,000	12.00%	1,088,400	3,208,400
12/31/2015	11/1/2015	2,215,000	12.00%	834,000	3,049,000
12/31/2016	11/1/2016	2,315,000	12.00%	568,200	2,883,200
12/31/2017	11/1/2017	2,420,000	12.00%	290,400	2,710,400

C E R T I F I C A T E

I, the undersigned, the Chief Clerk of the Allegheny County Council, hereby certify that the foregoing and attached is a true copy of an Ordinance which was duly adopted by the affirmative vote of a majority of all the members of the Governing Body thereof at a meeting held on the date of the execution thereof; that due notice of such meeting was given and the meeting was at all times open to the public; that such Ordinance was duly recorded; that this Ordinance is still in full force and effect as of the date hereof; that the vote upon said Ordinance was called and duly recorded upon the minutes of the Governing Body; and that the members of the Governing Body voted in the manner following:

	Yes	No	Abstain	Absent
James Burn, Jr.	<u>X</u>	—	—	—
Susan Caldwell	<u>X</u>	—	—	—
Joan Cleary	<u>X</u>	—	—	—
John P. DeFazio	<u>X</u>	—	—	—
Matt Drozd	—	<u>X</u>	—	—
Dave Fawcett	—	—	<u>X</u>	—
Michael J. Finnerty	<u>X</u>	—	—	—
Rich Fitzgerald	<u>X</u>	—	—	—
Brenda Frazier	<u>X</u>	—	—	—
Vince Gastgeb	<u>X</u>	—	—	—
Robert J. Macey	<u>X</u>	—	—	—
Charles J. Martoni, Ph.D.	<u>X</u>	—	—	—
Rich Nerone	—	—	—	<u>X</u>
Jan Rea	<u>X</u>	—	—	—
William Russell Robinson	<u>X</u>	—	—	—

WITNESS my hand and seal of the County of Allegheny this ____ day of October, 2006.

COUNTY OF ALLEGHENY

[SEAL]

John Mascio
Chief Clerk of Council

MEMORANDUM
OFFICE OF THE COUNTY MANAGER

TO: John Mascio
Chief Clerk

FROM: James M. Flynn, Jr. 
County Manager

DATE: October 5, 2006

RE: Proposed Ordinance

ALLEGHENY COUNTY COUNCIL

'06 OCT 5 AM 10:18

Attached is an ordinance Authorizing the incurring of nonelectoral debt by the issuance of adjustable rate demand general obligation bonds, Series C-58A and C-58B, in an aggregate principal amount not to exceed \$50,000,000.

The Allegheny County Law Department has reviewed this legislation prior to submitting it to Council.

Please place this on the next agenda for County Council approval.

Thank you.