

Bill No. 3796-08
No. 09-08-RE

A RESOLUTION

A Resolution Approving a Project for the benefit of Carnegie Mellon University (the "University") to be financed by the Allegheny County Higher Education Building Authority by the issuance of the Authority's tax-exempt or taxable bonds, to be issued in one or more series, in the aggregate principal amount not to exceed \$135,000,000 including required reserves (if any) and costs of issuance, provided that the taxing power of the County of Allegheny, Pennsylvania, shall not be obligated in any way with respect to the Bonds (hereinafter defined), and determining that the purpose of the financing will be to benefit the health and welfare of the citizens of Allegheny County, Pennsylvania.

Whereas, the University, a nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania, desires to undertake a project consisting of financing, through the issuance of one or more series of tax-exempt or taxable bonds in an aggregate principal amount not expected to exceed \$135,000,000 including required reserves (if any) and costs of issuance (the "Bonds) by the Allegheny County Higher Education Building Authority (the "Authority"); and

Whereas, the Project (the "Project") shall consist of all or any portions (as determined by the University) of the following:

(a) a refunding project consisting of the current refunding of all or portions of the Allegheny County Higher Education Building Authority University Revenue Bonds (Carnegie Mellon University), Series 2006 and Series 2007 (the "Refunded Bonds"); and

(b) payment of costs of issuance, credit and liquidity support, if any, and other costs related to the issuance of the 2008 Bonds hereafter described; and

Whereas, the Authority was created by the County of Allegheny, Pennsylvania (the "County") under the Municipality Authorities Act, as amended (the "Act"), and is authorized under the Act to issue its bonds for the purposes aforesaid, and the Authority has determined that the public interest will be served and that the purposes of the Act can be furthered by the Authority's issuance of bonds in order to obtain funds to loan to the University for the foregoing purposes; and

Whereas, Section 5607(b)(2)(iv) of the Act provides, among other things, that school building projects and facilities to be leased to or financed with loans to private, nonprofit, nonsectarian secondary schools, colleges and universities, state-related universities and community colleges serving the public, such as the University, may be financed by an authority created under the Act, if the municipality organizing such authority declares by resolution or ordinance that it is desirable for the health, safety and welfare of the people in the area served by such projects and facilities to have such projects and facilities provided by, or financed through, such authority; and

Whereas, the Authority has determined that the University is an eligible institution under the Act.

Whereas, the location of the facilities included in the Project are at various addresses throughout Allegheny County all of which are owned by the University; and

Whereas, the following resolutions are also adopted to give effect to the provisions of the Municipality Authorities Act, Act No. 22 of 2001, as amended by Act No. 110 of 2001, 53 Pa.C.S. Section 5601 et seq., including without limitation Section 5607(a)(15) thereof; and

Whereas, neither the Bonds nor the approval granted hereby shall obligate taxing power of the County of Allegheny in any way, and shall be limited obligations of the Authority, payable solely from the revenues pledged by the Authority for such payment.

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

Section 1. Incorporation of Preamble.

The provisions set forth in the preamble to this Resolution are incorporated by reference in their entity herein.

Section 2. Terms Defined.

Terms used in the Recitals to these Resolutions are herein used as therein defined.

Section 3. Approval of Project and Bonds.

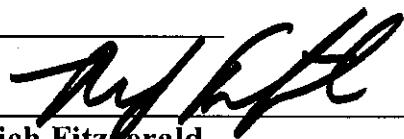
For the purposes set forth in the Recitals, and subject to the limitations set forth in the last Recital stated above, the County of Allegheny, Pennsylvania, acting by and through its County Council, hereby declares that it is desirable for the health, safety and welfare of the people of the County of Allegheny to have the Project financed through the Authority and approves the Project and the Bonds.

Section 4. Severability. If any provision of this Resolution shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Resolution which shall be in full force and effect.

Section 5. Repealer. Any resolution or ordinance or part thereof conflicting with the provisions of this Resolution is hereby repealed so far as the same affects this Resolution.

Enacted in Council, this 1st day of APRIL, 2008.

Council Agenda No. 3796-08



Rich Fitzgerald
President of Council

Attest: John Mascio
John Mascio
Chief Clerk of Council

Chief Executive Office Apra 3, 2008

Approved: Dan Onorato
Dan Onorato
Chief Executive

Attest: Donna Beltz
Donna Beltz
Executive Secretary

SUMMARY OF LEGISLATION
CARNEGIE MELLON UNIVERSITY
SUBMITTED FOR COUNCIL MEETING MARCH 4, 2008

On behalf of Carnegie Mellon University (the "University"), the Allegheny County Higher Education Building Authority (the "Authority") intends to issue Bonds, in an amount not to exceed \$120,125,000, plus required reserves and costs of issuance (the "Bonds").

The Bonds finance the costs of the following:

- ◆ a refunding project consisting of the current refunding of all or portions of the Allegheny County Higher Education Building Authority University Revenue Bonds (Carnegie Mellon University), Series 2006 and Series 2007 (the "Refunded Bonds").

Additionally, the proceeds will fund any necessary reserves and pay all or a portion of the costs of issuance, including the costs of obtaining credit enhancement for the Bonds.

As is typical with these transactions issued through the Higher Education Building Authority, the Bonds are limited obligations, of the Authority, payable solely from the project or from revenue from the University.

M E M O R A N D U M

OFFICE OF THE COUNTY MANAGER

TO: John Mascio
Chief Clerk

ALLEGHENY COUNTY COUNCIL

FROM: James M. Flynn, Jr.
County Manager

DATE: February 28, 2008

'08 FEB 28 AM 9:55

RE: Proposed Resolution

Attached is a Resolution Approving a Project for the benefit of Carnegie Mellon University (the "University") to be financed by the Allegheny County Higher Education Building Authority by the issuance of the Authority's tax-exempt or taxable bonds, to be issued in one or more series, in the aggregate principal amount not to exceed \$135,000,000 including required reserves (if any) and costs of issuance, provided that the taxing power of the County of Allegheny, Pennsylvania, shall not be obligated in any way with respect to the Bonds (hereinafter defined), and determining that the purpose of the financing will be to benefit the health and welfare of the citizens of Allegheny County, Pennsylvania.

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.