

No. 43-03-RE

RESOLUTION

Resolution authorizing the issuance of a Tax and Revenue Anticipation Note in the maximum principal amount of \$109,029,624; providing for the date, interest rate, maturity date, place of payment and prepayment provisions in respect of the note; accepting the proposal of Mellon Bank, n.a. for the purchase and financing of the note; providing for the security of the note; authorizing the proper officers to execute and deliver the note; authorizing and directing the preparation, certification and filing of the proceedings with the Department of Community and Economic Development; providing for a paying agent; setting forth a form of note; and repealing inconsistent resolutions.

WHEREAS, Allegheny County, Pennsylvania (the "Issuer") has determined to borrow money during the fiscal year beginning January 1, 2003, in amounts not exceeding One Hundred Nine Million Twenty-Nine Thousand Six Hundred Twenty-four Dollars (\$109,029,624) at any one time outstanding in anticipation of the receipt of taxes and other current revenues, such borrowing to be evidenced by its tax and revenue anticipation note or notes (the "Note") in a principal amount up to \$109,029,624 at any one time outstanding (the "Approved Principal Amount"), provided that the principal amount of the Note outstanding shall satisfy the limitations of Section 8122 of the Local Government Unit Debt Act, as amended (53 Pa.C.S. §8001, *et seq.*; the "Act"); and

WHEREAS, a proposal (the "Proposal") has been submitted by Mellon Bank, N.A., for the purchase and funding of the Note in the Approved Principal Amount at a purchase price equal to the principal amount thereof, such Note to bear interest as follows (the "Approved Interest Rate"):

(a) in the event a draw hereunder is repaid before the close of the banking day on which the draw occurred, no interest shall be payable thereon. For purposes of this provision, the term "banking day" shall mean that period from 8:30 a.m. to 5:00 p.m. on any single day; and

(b) in the event a draw hereunder is not repaid before the close of the banking day on which the draw occurred, interest thereon shall accrue at a rate per annum (computed on the basis of a year of 360 days and actual days elapsed) equal to (i) for each day on or prior to December 31, 2003, the sum of (A) 0.5% plus (B) the rate of interest announced by the Bank from time to time as its prime rate (the "Prime Rate"), such rate to change automatically effective with each change in the Prime Rate and (ii) for each day after December 31, 2003, the sum of (A) 2% plus (B) the Prime Rate.

WHEREAS, the Approved Principal Amount of the Note does not exceed 85% of the taxes levied for the fiscal year in which the Note is to be issued and other current revenues for such year remaining to be collected or received in such fiscal year during the period in which the Note will be outstanding as evidenced by a certificate of officers of the Issuer heretofore executed in accordance with Section 8126 of the Act;

Be it resolved by the Council of Allegheny County as follows:

Section 1.

1. The Note in the Approved Principal Amount to be drawn down and repaid during the current fiscal year in accordance with the terms and conditions of the Proposal, and the sale and issuance of the Note pursuant to the Act is hereby approved, and is authorized and directed to be undertaken and done.

2. The Proposal, in the form presented at this meeting, is hereby approved, and the Note is hereby awarded to Mellon Bank, N.A. (the "Bank") on the terms named therein. The Chief Executive of the governing body of the Issuer is authorized and directed to execute an endorsement to the Proposal, including the Issuer's acceptance thereof, and to deliver the same to the Bank. The Note shall be issued in the Approved Principal Amount, shall bear interest at the Approved Interest Rate, shall be subject to prepayment as provided herein, shall mature on December 31, 2003 ("Maturity"), and otherwise shall be in accordance with the Proposal, the terms of which are incorporated herein. A copy of the Proposal shall be placed in the records of the Issuer and filed with the Pennsylvania Department of Community and Economic Development.

3. The Note shall be payable as to principal and interest at Maturity or earlier prepayment or redemption in lawful money of the United States of America, at the principal office of the Bank, in Pittsburgh, Pennsylvania. Mellon Bank, N.A. is hereby appointed as the Issuer's paying agent with respect to the Note or such other bank as shall be so appointed from time to time by the Issuer. The Note shall be payable in full at Maturity or may be sooner prepaid by paying Bank 100% of the principal amount outstanding under the Note plus interest accrued to the date of payment.

4. The Note, and the obligations of the Issuer for payments on account of draws under the Note, shall be payable from and is secured by the pledge of, security interest in, and lien and charge upon, the taxes and other revenues of the Issuer to be received during the period in which the Note is outstanding, as set forth in the certificate of the Issuer prepared pursuant to Section 8126 of the Act. The Issuer shall cause financing statements to be filed, registered and recorded in such manner and at such places as may be required by law fully to protect the security interests of the owner of the Note and from time to time shall perform or shall cause to be performed any other act as provided by law, and shall execute and shall cause to be executed any and all further instruments as may be required by law, for such protection or preservation of the security interests of the owner of the Note. This Resolution and the Act shall constitute a security agreement between the Issuer and the Bank or such other owner from time to time of the Note.

5. The Note shall evidence the ability of the Issuer to make up to three draws under the Note provided that the principal amount at any one time outstanding shall not exceed \$109,029,624.

6. The Note shall be executed by the manual or facsimile signature of the Chief Executive of the Issuer, and shall have the corporate seal of the Issuer or a facsimile thereof affixed thereto, duly attested by the manual or facsimile signature of the County Manager of the Issuer; provided, that at least one manual signature shall appear on the Note. The Chairman of the governing body of the Issuer or his/her delegate is authorized and directed to deliver or cause to be delivered the Note to the Bank.

7. The Note shall be in substantially the form as set forth in Exhibit "A" attached hereto and made a part hereof, and may be executed and delivered in substantially such form with such appropriate changes as may be approved by the officer or officers of the Issuer manually executing the same; and such execution shall constitute approval of such changes by such officer or officers on behalf of the governing body of the Issuer.

8. The proper officers of the Issuer are hereby authorized and directed to take such additional action in accordance with the Act and the terms of the Proposal, as may be incidental to the issuance of, and necessary for the validity of, the Note, including the filing of a certified copy of this Resolution, the Certificate as to taxes and revenues remaining to be collected, and a copy of the Proposal with the Pennsylvania Department of Community and Economic Development, all as required by the Act.

9. This Resolution shall be in full force and effect only upon the filing with the Pennsylvania Department of Community and Economic Development of the documents set forth in Section 8 hereof; provided, however, with respect to Bank as purchaser of the Note, that this Resolution shall be effective and enforceable as of the date of acceptance by the Issuer of the Proposal.

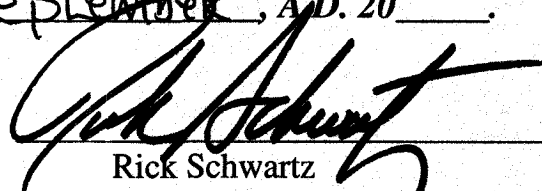
10. The proper officers of the Issuer are authorized to deliver the Note, fully executed, to the Bank and to take such actions and execute such documents necessary to effect up to three draws under the Note.

Section 2. This Resolution shall take effect immediately.

SECTION 3. *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 4. *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 9th day of September, A.D. 2003.


Rick Schwartz
President of Council

Attest: John Mascio
John Mascio
Clerk of Council

Approved as to form: Charles P. McCullough
Charles P. McCullough
County Solicitor

Chief Executive Office September 16, 2003.

Approved: James C. Roddey
James C. Roddey
Chief Executive

Attest: Victoria Spence
Victoria Spence
Executive's Secretary