

Bill No. 1759-04

No. 36-04-OR

AN ORDINANCE

An Ordinance of the County of Allegheny, Pennsylvania, authorizing the incurrence of nonelectoral debt by the issuance of one or more series of General Obligation Notes, Series C-57, in an aggregate principal amount not to exceed \$185,000,000.

An Ordinance of the County of Allegheny, Pennsylvania (the "County") (1) authorizing the incurrence of nonelectoral debt by the issuance of one or more series of general obligation notes in an aggregate principal amount not to exceed \$185,000,000 for the purposes of providing funds to refund certain bonds previously issued by the County; (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 notes; (4) authorizing certain officials to accept a proposal for the purchase of the notes; (5) appointing a paying agent, registrar, sinking fund depository and escrow agent or agents; (6) adopting a form of note; (7) covenanting to pay debt service; (8) pledging the full faith, credit and taxing power for the payment of the notes; (9) establishing a sinking fund and one or more escrow funds; (10) appropriating the note 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 the preliminary official statement; (15) authorizing approval of the final official statement; (16) authorizing execution of one or more escrow agreements for the benefit of the refunded bonds and authorizing the redemption of such refunded bonds; (17) authorizing certain officials to determine whether to purchase a policy or policies of municipal note insurance; (18) authorizing the taking of certain actions with respect to continuing disclosure of information; (19) authorizing and directing the preparation, execution and delivery of all other required documents and the taking of all other required action; and (20) repealing inconsistent ordinances.

Whereas, the County Council, after due consideration of the public welfare and with full legal competence pursuant to its enabling legislation, has determined to undertake the Project hereinafter described; and

Whereas, the County Council desires to incur indebtedness, within constitutional and statutory limitations, in order to undertake said Project; and

Whereas, the incurrence of such indebtedness is governed by the provisions of the Local Government Unit Debt Act, as codified by the Act of December 19, 1996 (P.L. 1158 No. 177) (the "Debt Act"), with which this Debt Ordinance and all related proceedings of Allegheny County and all duly authorized actions of its officers are intended to comply.

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

SECTION 1. Incorporation of the Preamble.

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

SECTION 2. Debt Ordinance.

The text of the Debt Ordinance shall be as follows:

ARTICLE 1 - DEFINITIONS

Unless the context clearly indicates otherwise, the following terms shall, for all purposes of this Debt Ordinance, have the meanings hereby ascribed to them. Moreover, such terms, together with all other provisions of this Debt Ordinance, shall be read and understood in a manner consistent with the provisions of the Debt Act, as generally interpreted by the Department of Community and Economic Development or by courts maintaining competent jurisdiction.

Words or phrases importing the masculine gender shall be read and understood to include the feminine and neuter genders and those importing number shall include singular or plural, both as appropriate to the context. The word "person," in addition to natural persons, means and includes corporations, associations and public bodies and their successors unless the context shall indicate otherwise.

"Authentication Date" means that date or those dates, individual to respective Notes, upon which the Sinking Fund Depository shall have executed and delivered a new and original instrument upon the transfer, exchange or other processing for registration of a Note, thereby authenticating the same as, and to be, a valid and outstanding obligation of the Local Government Unit.

"Authorized Investments" means: (a) as to the proceeds of the Notes and upon application of the "prudent-man" rule: (i) United States Treasury bills; (ii) short-term obligations of the United States Government or its agencies or instrumentalities; (iii) deposits in savings accounts or time deposits, other than certificates of deposit, or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or the Pennsylvania Deposit Insurance Corporation or the Pennsylvania Savings Association Insurance Corporation to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefor shall be pledged by the depository; (iv) obligations of the United States of America or any of its agencies or

instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision; (v) shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, provided that the only investments of that company are in the authorized investments for county funds listed in clauses (i) through (iv); and (vi) certificates of deposit purchased from institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or the Pennsylvania Deposit Insurance Corporation or the Pennsylvania Savings Association Insurance Corporation to the extent that such accounts are so insured. However, for any amounts above the insured maximum, such certificates of deposit shall be collateralized by a pledge or assignment of assets of the institution, and such collateral may include loans (including interests in pools of loans) secured by first mortgage liens on real property. Certificates of deposit purchased from commercial banks shall be limited to an amount equal to twenty percent of a bank's total capital and surplus. Certificates of deposit purchased from savings and loan associations or savings banks shall be limited to an amount equal to twenty percent of an institution's assets minus liabilities; and (b) as to moneys at any time on deposit in the Sinking Fund: (i) obligations which are direct obligations of, or are fully guaranteed as to principal and interest by, the United States of America; (ii) direct general obligations of the Commonwealth of Pennsylvania, or in any securities in which the Commonwealth may, at such time, invest its moneys; or (iii) deposits at interest in time accounts, certificates of deposit or other interest bearing accounts of any bank, bank and trust company (including the Sinking Fund Depository), savings bank, savings and loan association or building and loan association. The authorization set forth above for investment in obligations of the United States of America shall include money market funds invested solely in such obligations, including any such funds maintained by the Sinking Fund Depository. To the extent that any such deposits described in (b)(iii) above are insured by the Federal Deposit Insurance Corporation or similar Federal agency, they need not be secured. Otherwise, such deposits shall be secured as public deposits or as trust funds; provided in all events that such investments shall be made in a manner consistent with sound business practice and, if required for prompt expenditure, shall be held in demand deposits. In the event, from time to time, and to the extent such investments may periodically require valuation, their value shall be determined on the following bases (and if more than one basis applies, according to the lowest of them): (a) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal -- the arithmetic mean of the bid and asked prices for such investments so published on or immediately prior to such time of determination; (b) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal -- the average bid price established for such investments by any three nationally recognized government securities dealers at the time making a market in such investments or the average bid price published by a nationally recognized pricing service; and (c) as to time deposits, certificates of deposit and bankers' acceptances -- the face amount thereof, plus accrued interest.

"Dated Date" means that date upon which interest will begin to accrue on the Notes, as determined and fixed by the Local Government Unit and the Purchaser in the Purchase Proposal.

"Debt Ordinance" means this document, being the formal action taken by the Local Government Unit according to the requirements of Section 8003 of the Debt Act in order to authorize and incur the debt represented by the Notes. Such term shall apply whether, under the law and current practices of the Local Government Unit, it would normally take formal action by enactment of an ordinance, adoption of a resolution or some other similar means.

"Designated Officer(s)" means and includes, individually or jointly, the Chief Executive of the County, any officer the County Council, the County Manager, the County Treasurer and the Director of the Office of Budget and Finance (and their appropriate successors acting by reason of absence or other incapacity), being those duly elected or appointed and acting officials of the Local Government Unit hereby authorized to undertake and perform the actions herein specified, which are necessary and proper to the issuance of the Notes and compliance with the Debt Act.

"Financial Advisor" means Public Financial Management, Inc., Two Logan Square, 18th & Arch Streets, Suite 1600, Philadelphia, PA 19103.

"First Interest Payment Date" that date upon which interest on the Notes is first payable, as determined and fixed by the Local Government Unit and the Purchaser in the Purchase Proposal.

"Governing Body" means the County Council of the Local Government Unit, being that entity authorized by law to fix the rate of, and to levy, taxes within the Local Government Unit.

"Insurer" means that one or those several nationally recognized municipal debt insurance companies whose credit rating will, through the issuance of a Note Insurance Policy, cause the rating on the Notes to be raised to a level of "AAA" or "Aaa" by one or more Rating Agencies, as the same shall be recommended, following solicitation of proposals, by the Financial Advisor, approved by the Director of the Office of Budget and Finance and designated by the Purchaser in the Purchase Proposal to issue such a Note Insurance Policy as a condition of the delivery and purchase of the Notes.

"Interest Payment Date(s)" means, singularly or jointly, May 1 and November 1 of each year during the term of the Notes, commencing with the First Interest Payment Date.

"Local Government Unit" means the County of Allegheny, a political subdivision of the Commonwealth of Pennsylvania, duly organized and existing under the Constitution and the laws of the Commonwealth; and a home rule county organized under the Second Class County Charter.

"Mandatory Redemption Date(s)" means those dates on which outstanding Notes will be mandatorily redeemed by the Local Government Unit, as determined and fixed by the Local Government Unit and the Purchaser in the Purchase Proposal.

"Maturity Date(s)" means those dates on which the Notes mature in accordance with their terms, as determined and fixed by the Local Government Unit and the Purchaser in the Purchase Proposal.

"Note Counsel" means Thorp Reed & Armstrong, LLP, One Oxford Centre, Pittsburgh, Pennsylvania 15219.

"Note Insurance Policy" means that standard policy of insurance, to be issued by the Insurer in order to insure timely payment of the principal of and interest on the Notes to the owners thereof, upon satisfaction of all preconditions set forth in said Note Insurance Policy, as specifically noted by a legend or other appropriate text hereby authorized to be printed on the Notes themselves.

"Notes" means the General Obligation Notes, Series C-57, in an aggregate principal amount not to exceed \$185,000,000, which are hereinafter authorized to be issued, sold and delivered for purposes of the Project, and which constitute instruments imposing an obligation upon the Local Government Unit for the repayment of money borrowed. The Notes shall be printed substantially in the form hereinafter in Section 4.13 provided and shall fall within the definition of "Security" set forth in, and otherwise shall be governed by, Article 8 of the Uniform Commercial Code, to the extent permitted by, and consistent with, the Debt Act. Such term may include a single Note or several Notes, representing, in each case, a portion of Series C-57.

"Optional Redemption Date" means the first date on which the outstanding Notes could be redeemed, in whole or in part, at the option of the Local Government Unit, as determined and fixed by the Local Government Unit and the Purchaser in the Purchase Proposal.

"Project" means payment of the costs: (i) of refunding, on an advance refunding basis, the following issues of outstanding Bonds of the Local Government Unit, to-wit: (a) Series C-44 in an amount not to exceed \$1,065,000 (a portion of such Bonds had been previously refunded); (b) Series C-46 in an amount not to exceed \$2,960,000 (a portion of such Bonds had been previously refunded); (c) a portion of Series C-47, being those Bonds maturing on October 1 of each of the years 2005 through 2012, inclusive, in an amount not to exceed \$26,760,000; (d) Series C-48 in an amount not to exceed \$28,905,000; (e) a portion of the April 1, 2005 maturity of the Series C-49 Bonds, as such principal amount shall be specified in the Purchase Proposal; (f) Series C-52 in an amount not to exceed \$42,255,000 (a portion of such Bonds had been previously refunded); (g) a portion of Series C-53 maturing on November 1 of each of the years 2007 through 2020, inclusive, in an amount not to exceed \$12,320,000; and (h) Series C-54, being those Bonds maturing on November 1, of each of the years 2015 through 2027, inclusive, in an amount not to exceed \$53,050,000 (collectively, the "Prior Bonds"); and (ii) of issuing the Notes. The Notes are being issued for the purpose of substituting notes for bonds pursuant to the authority of Debt Act Section 8241(b)(5). Reasonable estimates of the cost of the Project, which is not less than the principal amount of the indebtedness authorized hereby, together with the estimated useful life of the capital assets previously financed by the proceeds of the Prior Bonds (which are, on a weighted average, in excess of twenty-five (25) years), have been obtained with the assistance of engineers, architects, financial advisors and other persons qualified by experience. Nothing contained herein shall prohibit the Governing Body, under proper enactment of an ordinance and compliance with all provisions of law, from amending, adding to, subtracting from, substituting for or otherwise altering the Project undertaken hereby.

"Purchase Price" means not less than 99.6% of the par amount of the Notes, less net original issue discount/plus net original issue premium, together with accrued interest to the date of delivery of the Notes, if and as any such discount, premium or interest shall be specified in the Purchase Proposal.

"Purchase Proposal" means the written agreement(s) for the purchase and sale of the Notes, to be executed and presented by the Purchaser, and accepted by the act of the Chief Executive, or his designee, according to his discretion within the bounds of this Debt Ordinance, as the same shall be recommended by the Financial Advisor.

"Purchaser" means J.P. Morgan Securities, Inc., 20206 Route 19, Suite 300, Cranberry Township, PA 16066, as Senior Manager, together with Mellon Financial Markets, LLC, Merrill Lynch, Mesirov Financial, Inc., NatCity Investments, Inc., PNC Capital Markets, Inc. and RBC Dain Rauscher, each as Co-Managers.

"Rating Agency" or "Rating Agencies" means either or both of Moody's Investors Service, 99 Church Street, New York, NY 10007 and Standard & Poor's Ratings, a division of the McGraw-Hill Companies, 55 Water Street, New York, NY 10041.

"Record Date(s)" means, singularly or jointly, the fifteenth day of the month next preceding a respective Interest Payment Date.

"Redemption Price" means 100% of the principal amount, together with accrued interest to the date fixed for redemption.

"Sinking Fund Depository" means Wells Fargo Bank, N.A., a bank or bank and trust company (or wholly owned subsidiary of the same) located and lawfully conducting a banking or trust business in the Commonwealth of Pennsylvania, having a corporate trust office in Two Gateway Center, Pittsburgh, Pennsylvania. Said bank shall assume, undertake and perform the duties of the Sinking Fund Depository specified by this Debt Ordinance or contained in the Debt Act, and shall further act as Paying Agent and Registrar in respect of the Notes, according to the provisions of this Debt Ordinance and the Debt Act and in compliance at all times with then-current industry standards and practices.

Notwithstanding the foregoing, if, and only in the event, the payment of the Notes has been insured to the owners thereof by a duly issued and outstanding Note Insurance Policy, such Sinking Fund Depository must be, and remain at all times, acceptable to the Insurer, who is empowered to request that the Local Government Unit appointment a successor for cause shown.

"Solicitor" means the Allegheny County Solicitor, Allegheny County Law Department, 300 Fort Pitt Commons Building, 445 Fort Pitt Boulevard, Pittsburgh, PA 15219-1308.

"Term Notes" means that one or those several sets of Notes stated to mature on a date certain, but which shall be mandatorily redeemed on specified anniversary dates in preceding years, as determined and fixed by the Local Government Unit and the Purchaser in the Purchase Proposal.

--END OF ARTICLE 1--

ARTICLE 2 -- AUTHORIZATION OF DEBT

Section 2.01. Incurrence. The Local Government Unit hereby authorizes and directs the incurrence of nonelectoral debt in an amount not to exceed the aggregate principal amount of \$185,000,000 for the purposes of the Project; such debt shall be evidenced by the Notes, to be issued, sold and delivered according to the provisions of the Purchase Proposal, this Debt Ordinance and the Debt Act, as general obligations of the Local Government Unit.

Section 2.02. Preparation of Debt Statement; Exclusion of Indebtedness. The Designated Officers are hereby authorized and directed to prepare and verify under oath or affirmation, according to the requirements of Sections 8002 and 8110 of the Debt Act, the Debt Statement of the Local Government Unit, including therewith a certification of the Borrowing Base, and, if desired, any statements required under Chapter 81, Subchapter B of the Debt Act necessary to qualify all or any portion of this, or any prior outstanding, debt for exclusion from the appropriate debt limit as self-liquidating or subsidized debt; all previous actions of Designated Officers in this regard are hereby ratified and confirmed.

Section 2.03. Proceedings Before the Department. The Designated Officers are hereby further authorized and directed to prepare and file all proceedings of the Local Government Unit relative to this incurrence of debt with the Department of Community and Economic Development (the "Department") and to respond to all inquiries or requests and to perform all other actions necessary to enable the Department to certify its approval to issue, sell and deliver the Notes.

Section 2.04. Stated Maturity Dates. The Local Government Unit hereby finds and determines that: (1) the Notes are to be issued with: (a) a final stated maturity date which does not exceed the sooner to occur of forty years or the useful life of the Project; and (b) an initial stated installment or maturity of principal which has not been deferred beyond the later of two years or one year from the date of expected completion of the Project; and (2) the stated maturities, or principal installments subject to mandatory redemption, of the Notes have been fixed either: (a) so as to amortize the Notes on at least an approximately level debt service plan during the period specified for the payment of principal under Section 8142(b) of the Debt Act; or (b) in the alternative, in the event that an Exhibit B has been properly completed and is attached to this Debt Ordinance and thereby incorporated by reference herein, so that the debt service on outstanding debt of the Local Government Unit (being the Notes, together with such other debt as has been identified on Exhibit B) will be brought more nearly into an overall level annual debt service plan.

--END OF ARTICLE 2--

ARTICLE 3 – SECURITY FOR DEBT; SINKING FUND

Section 3.01. General Obligation Covenant. The Notes shall be general obligations of the Local Government Unit. The Local Government Unit hereby covenants with the owners from time to time of the Notes to: (a) include the amount necessary to service the debt on the Notes, for each fiscal year in which such sums are payable, in its budget for that year; (b) appropriate such amounts from its general revenues to the payment of such debt service; and (c) duly and punctually pay, or cause to be paid, from its Sinking Fund or from any other of its revenues or funds, the principal of and the interest on the Notes at the dates and place and in the manner stated in the Notes, according to the true intent and meaning thereof.

For such budgeting, appropriation and payment of the Notes, the Local Government Unit hereby irrevocably pledges its full faith, credit and taxing power. The exact amounts of debt service hereby covenanted to be paid are set forth in Exhibit A, attached to this Debt Ordinance and incorporated by reference herein.

As provided in the Debt Act, the foregoing covenants are specifically enforceable. Notwithstanding the foregoing, nothing contained herein shall prohibit or restrain the authorization, issuance, sale or delivery of additional general obligation notes or notes of the Local Government Unit on a parity with this Series of Notes, upon adoption of an appropriate covenant to budget, appropriate and pay additional taxes and other revenues and funds for the payment and security of such additional obligations.

Section 3.02. Creation of Sinking Fund. The Local Government Unit hereby creates, and orders to be established (in its name and identified by reference to the Notes), a Sinking Fund for the payment of the Notes with the Sinking Fund Depository, and further covenants to maintain such Sinking Fund until the Notes are paid in full. The Designated Officer is hereby authorized and directed to contract with the Sinking Fund Depository for its services in such capacity, together with its services as Paying Agent and Registrar for the Notes.

Section 3.03. Deposits into Sinking Fund. The Local Government Unit covenants with the owners of the Notes, and a Designated Officer (according to the duties specified in Section 8223 of the Debt Act) is hereby authorized and directed, to withdraw from the General Fund (or in the event debt service charges have been capitalized, from any Project fund established with the proceeds of the Notes, as authorized in Section 11.04) and to deposit into the Sinking Fund on or before the appropriate Interest Payment Dates (or as and when otherwise due by their terms and in order to provide same-day, available funds for timely payment), amounts sufficient to pay: (a) the interest on the Notes then outstanding; and (b) the principal of the Notes then maturing or subject to redemption on each such Interest Payment Date as set forth in Section 3.01.

Section 3.04. Investment of Sinking Fund. All moneys in the Sinking Fund not required for prompt expenditure may, in accordance with written or telephonic (if subsequently confirmed in writing according to the reasonable practices and requests of the Sinking Fund Depository) instructions of the Designated Officer, be invested in Authorized Investments.

Authorized Investments must mature or must be subject to redemption, withdrawal or collection in their full amount at the option of the Sinking Fund Depository not later than the date upon which moneys are required to be paid to owners of the Notes. All moneys in the Sinking Fund shall be applied exclusively to the payment of the Notes as the same from time to time becomes due and payable. All moneys deposited into the Sinking Fund and all investments and proceeds thereof shall be subject to a perfected security interest for the benefit of the owners of the Notes. Income received from any deposit or investment within the Sinking Fund shall remain within and be a part of the Sinking Fund and all such amounts may be applied in reduction or completion of any amount covenanted under Section 3.01 hereof to be deposited therein; provided, however, that the obligation of the Local Government Unit to pay the Notes is, and shall remain, absolute, and may not be satisfied or reduced merely by the deposit of moneys into the Sinking Fund or from the expectation of earnings thereon.

--END OF ARTICLE 3--

ARTICLE 4 - TERMS AND PROVISIONS OF THE NOTES

Section 4.01. Dates, Maturity Amounts and Interest Rates. The Notes will be identified by the Dated Date, will be dated as of the Authentication Dates, will bear (or accrue) interest at the rate(s) (or yield(s)), payable (or compounded) on the appropriate Interest Payment Dates, and will mature on the Maturity Dates (or be redeemed, mandatorily, on the appropriate Mandatory Redemption Dates, as provided in Section 4.03) and in the principal amounts (or maturity amounts) set forth in Section 3.01 and in the Purchase Proposal.

Section 4.02. Optional Redemption. The Notes are subject to optional redemption prior to maturity. The Notes scheduled to mature on a date after the Optional Redemption Date may be redeemed prior to maturity at the option of the Local Government Unit (a) in whole, on the Optional Redemption Date or on any date thereafter, or (b) in part, from time to time, on the Optional Redemption Date or on any date thereafter, by lot within a maturity, upon payment of the applicable Redemption Price.

Section 4.03. Mandatory Redemption. Term Notes (if any) shall be redeemed prior to maturity by the Sinking Fund Depository without further authorization on the appropriate Mandatory Redemption Dates and in the appropriate principal amounts set forth in Article 1 and in Section 3.01 hereof upon payment of the applicable Redemption Price.

Section 4.04. Book Entry System. The Notes will be issued in denominations of \$5,000 or any multiple thereof initially in the form of one fully registered note for the aggregate principal amount of the Notes of each maturity, which Notes will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). Initially, all of the Notes will be registered in the name of Cede & Co., as nominee of DTC; provided that if DTC requests that the Notes be registered in the name of a different nominee, the Sinking Fund Depository must exchange all or any portion of the Notes for an equal aggregate principal amount of Notes registered in the name of such nominee of DTC. No person other than DTC or its nominee is entitled to receive from the Local Government Unit or the Sinking Fund Depository either a Note or any other evidence of ownership of the Notes, or any right to receive any payment in respect thereof unless DTC or its nominee transfers record ownership of all or any portions of the Notes on the Register (as such term defined in Section 4.08), in connection with discontinuing the book entry system.

So long as the Notes or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or redemption price of or interest on such Notes will be made to DTC or its nominee in immediately available funds on the dates provided for such payments in this Ordinance. Each such payment to DTC or its nominee will be valid and effective to discharge fully all liability of the Local Government Unit or the Sinking Fund Depository with respect to the principal or redemption price of or interest on the Notes to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Notes outstanding of any maturity, the Sinking Fund Depository will not require surrender by DTC or its nominee of the Notes so redeemed, but DTC (or its nominee) may retain such Notes and make an appropriate notation on the Note certificate as to the amount of the partial redemption provided that DTC must deliver to the Sinking Fund Depository, upon request, a written confirmation of the partial

redemption and thereafter the records maintained by the Sinking Fund Depository will be conclusive as to the amount of the Notes of such maturity which have been redeemed.

The Local Government Unit and the Sinking Fund Depository may treat DTC (or its nominee) as the sole and exclusive owner of the Notes registered in its name for the purposes of payment of the principal or redemption price of or interest on the Notes, selecting the Notes or portions thereof to be redeemed, giving any notice permitted or required to be given to Registered Owners under this Ordinance, registering the transfer of Notes, obtaining any consent or other action to be taken by Registered Owners and for all other purposes whatsoever; and neither the Local Government Unit nor the Sinking Fund Depository will be affected by any notice to the contrary. Neither the Local Government Unit nor the Sinking Fund Depository will have any responsibility or obligation to any participant in DTC, any person claiming a beneficial ownership interest in the Notes under or through DTC or any such participant, or any other person which is not shown on the Register as being Registered Owner, with respect to either (1) the Notes; or (2) the accuracy of any record maintained by DTC or any such participant; or (3) the payment by DTC or any participant of any amount in respect of the principal or redemption price of or interest on the Notes; or (4) any notice which is permitted or required to be given to Registered Owners under this Ordinance; or (5) the selection by DTC or any participant of any person to receive payment in the event of partial redemption of the Notes; or (6) any consent given or other action taken by DTC as Registered Owner.

So long as the Notes or any portion thereof are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to the Registered Owners under this Ordinance will be given to DTC as provided in the blanket representation letter delivered to DTC.

In connection with any notice or other communication to be provided to Registered Owners pursuant to this Ordinance by the Local Government Unit or the Sinking Fund Depository with respect to any consent or other action to be taken by Registered Owners, DTC will consider the date of receipt of notice requesting such consent or other action as the record date for the consent or other action, provided that the Local Government Unit or the Sinking Fund Depository may establish a special record date for such consent or other action. The Local Government Unit or the Sinking Fund Depository must give DTC notice of the special record date not less than 10 days in advance of such special record date.

Any successor Sinking Fund Depository must, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the representation letter.

The book-entry system for registration of the ownership of the Notes may be discontinued at any time if either: (1) after notice to the Local Government Unit and the Sinking Fund Depository, DTC determines to resign as securities Depository for the Notes; or (2) after notice to DTC and the Sinking Fund Depository, the Local Government Unit determines that a continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interest of the Local Government Unit. In either of such events (unless in the case described in clause (2) above, the Local Government Unit appoints a successor securities depository), the Notes will be delivered in registered certificate form to such persons, and in such

maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Local Government Unit or the Sinking Fund Depository for the accuracy of such designation. Whenever DTC requests the Local Government Unit and the Sinking Fund Depository to do so, the Local Government Unit and the Sinking Fund Depository must cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Notes. The Notes will also carry CUSIP numbers as a convenience to owners.

Section 4.05. Interest Payments; Accrual. The Notes will bear interest, payable in arrears, initially on the First Interest Payment Date and then on each Interest Payment Date subsequent for the respective preceding period; provided, that interest may be paid from an Interest Payment Date next preceding the date of a Note except when the date of such Note is a date to which interest has been so paid, then from the date of such Note, or when either (1) the date of such Note is prior to the First Interest Payment Date, or (2) no interest has been paid, then from the Dated Date.

Section 4.06. Record Date; Payments on Default. The person in whose name any Note is registered at the close of business on any Record Date with respect to any Interest Payment Date, Redemption Date or Maturity Date shall be entitled to receive the amounts payable on such payment date notwithstanding the cancellation of such Note upon any transfer or exchange thereof subsequent to such Record Date and prior to such payment date.

When, if, and to the extent, the Local Government Unit defaults in the payment of any amount due on any such dates, any moneys collected for such payment, as and when collected from time to time, may be paid to the persons in whose names Notes are registered at the close of business on a Special Record Date established by the Sinking Fund Depository, notice of which has been mailed to all Registered Owners of Notes not less than ten days prior to such date.

Section 4.07. Funds for Payment. The Notes are payable at the offices of the Sinking Fund Depository in the coin or currency of the United States of America that is legal tender for the payment of public and private debts at the time and place of payment; provided, however, in the absence of written demand for such payment by the Registered Owner, received by the Sinking Fund Depository not later than the Record Date, all payments of the Notes will be made by check or draft drawn on the Sinking Fund Depository and mailed, first class, postage prepaid, to the owner at the address that appears in the Register, following presentation at the offices of the Sinking Fund Depository.

Section 4.08. Registration and Transfer. The Local Government Unit will cause the Sinking Fund Depository to keep, in its capacity as Registrar, a Register in which, subject to reasonable regulations, the Local Government Unit will provide for the registration of Notes and the registration of transfers and exchanges of Notes. No transfer or exchange of any Note will be valid unless made at the offices of the Sinking Fund Depository and registered in the Register.

Upon surrender for registration of transfer of any Note, the Local Government Unit will execute, and the Sinking Fund Depository will authenticate and deliver in the name of the

transferee or transferees, a new Note or Notes of any authorized denomination, of the same yield and maturity, and in the same principal amount, as the Note so surrendered.

Any Note is exchangeable for other Notes of the same yield and maturity, in any authorized denomination, in the same principal amount as the Bond or Notes presented for exchange. Upon surrender for exchange of any Bond, the Local Government Unit shall execute, and the Sinking Fund Depository shall authenticate and deliver in exchange therefor, the new Bond or Notes which the Registered Owner making the exchange shall be entitled to receive.

All Notes issued upon any registration of transfer or exchange shall be valid obligations of the Local Government Unit, evidencing the same indebtedness and entitled to the same benefits under this Debt Ordinance as the Notes surrendered for such registration of transfer or exchange. All Notes so surrendered shall be cancelled and may be destroyed by the Sinking Fund Depository.

Every Note presented or surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer, in form and with guaranty of signature satisfactory to the Local Government Unit and the Sinking Fund Depository, duly executed by the owner thereof or his duly authorized agent or legal representative.

No service charge shall be imposed on any Registered Owner for any transfer or exchange of any Note, but the Local Government Unit may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Notes.

Neither the Local Government Unit, nor the Sinking Fund Depository, shall be required to: (a) issue, or register the transfer or exchange of, any Note during a period of fifteen (15) business days before any date of selection of Notes to be redeemed; or (b) register the transfer or exchange of any Note after it has been selected for redemption.

The Notes shall be initially registered in accordance with instructions submitted to the Sinking Fund Depository by the Purchaser.

Section 4.09. Execution and Authentication. The Notes shall be executed on behalf of the Local Government Unit by the Designated Officers, and shall have a facsimile of the corporate seal of the Local Government Unit affixed thereto, duly attested. The Notes shall be authenticated by the manual execution of the Certificate of Authentication by a duly authorized officer of the Sinking Fund Depository. No Note shall be valid until such Certificate of Authentication shall have been duly executed and such authentication shall be the conclusive and only proof that any Note has been issued pursuant to, and is entitled to any benefits conferred under, the provisions of this Debt Ordinance. To the extent that any one signature on a Note (including the signature of the officer of the Sinking Fund Depository) is manual, all other signatures may be by facsimile.

Section 4.10. Notices, Selection of Notes for Redemption. Notice of redemption shall be given by first class mail, postage prepaid, not less than 30 nor more than 60 days prior to the

applicable redemption date, to the Registered Owners of Notes to be redeemed at the addresses which appear in the Note Register on the fifth business day preceding the date selected for the mailing of such notice and to the Rating Agency, and the Insurer, if any. Neither failure to mail such notice nor any defect in the notice so mailed or in the mailing thereof with respect to any one Note shall affect the validity of the proceedings for the redemption of any other Note. If the Local Government Unit shall have duly given notice of redemption and shall have deposited funds for the payment of the Redemption Price of the Notes with the Sinking Fund Depository, interest on such Notes shall cease to accrue after such redemption date.

Notices of redemption shall be dated and shall state: (a) the redemption date; (b) the Redemption Price; (c) if less than all outstanding Notes are to be redeemed, the identification numbers and the respective maturity amounts of the Notes to be redeemed; (d) the applicable CUSIP numbers of the Notes called for redemption (if then generally in use, but shall state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in the notice and that reliance may be placed only on the identification numbers printed on the Notes); (e) that on the redemption date the Redemption Price will become due and payable upon each such Note or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (f) that such Notes are to be surrendered for payment at the designated corporate trust office of the Sinking Fund Depository.

If less than all Notes maturing on any one date are to be redeemed at any time, the Sinking Fund Depository shall select by lot the Notes to be redeemed at such time.

Any portion of any Note of a denomination larger than \$5,000 may be redeemed, but only in the principal amount of \$5,000 or any integral multiple thereof. Prior to selecting Notes for redemption, the Sinking Fund Depository shall assign numbers to each \$5,000 portion of any Note of a denomination larger than \$5,000 and shall treat each portion as a separate Note in the denomination of \$5,000 for purposes of selection for redemption. Upon surrender of any Note for redemption of a portion thereof, the Sinking Fund Depository shall authenticate and deliver to the owner thereof a new Note or Notes of the same maturity and in any authorized denominations requested by the owner in a principal amount equal to the unredeemed portion of the Note surrendered.

Section 4.11. Temporary Notes. Notes in definitive form shall be fully engraved or printed or lithographed on steel-engraved borders. Until Notes in definitive form are ready for delivery, the Local Government Unit may execute, and upon request the Sinking Fund Depository shall authenticate and deliver, in lieu thereof and subject to the same provisions, limitations and conditions, one or more printed, lithographed or typewritten Notes in temporary form, substantially in the form in Section 4.13 hereinafter described, and with appropriate omissions, variations and insertions. Until exchanged for Notes in definitive form, such Notes in temporary form shall be valid obligations entitled to the benefit of this Debt Ordinance. The Local Government Unit shall, without unreasonable delay, prepare, execute and deliver to the Sinking Fund Depository, and thereupon, upon the presentation and surrender of any Note or Notes in temporary form, the Sinking Fund Depository shall authenticate and deliver, in exchange therefor, a Note or Notes in definitive form of the same principal (or maturity) for the same aggregate maturity amount as the Note or Notes in temporary form surrendered. Such

exchange shall be made by the Local Government Unit at its own expense and without making any charge therefor.

Section 4.12. Notes Lost or Destroyed. Upon receipt by the Local Government Unit and the Sinking Fund Depository of evidence satisfactory to both of them that any outstanding Note has been mutilated, destroyed, lost or stolen, and of indemnity satisfactory to both of them, the Local Government Unit may, in its discretion, execute and thereupon the Sinking Fund Depository shall authenticate and deliver a new Note of the same maturity and of like tenor in exchange and substitution for, and upon surrender and cancellation of, the mutilated Note, or in lieu of and in substitution for the Note so destroyed, lost or stolen. The Local Government Unit may, for each new Note authenticated and delivered under the provisions of this Section, require the payment of the expenses, including counsel fees. Any Note issued under the provisions of this Section in lieu of any Note alleged to be destroyed, lost or stolen, shall constitute an original additional and independent contractual obligation on the part of the Local Government Unit whether or not the Note so alleged to be destroyed, lost or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Debt Ordinance with all other Notes issued hereunder, and all limitations and debt limits imposed by the Debt Act shall be increased to the extent necessary to validate such new Notes.

Section 4.13. Form of the Notes. The Notes shall be substantially in the following form(s):

FORM OF NOTE

**COUNTY OF ALLEGHENY
(PENNSYLVANIA)
GENERAL OBLIGATION NOTE, SERIES C-57**

DATED DATE	INTEREST RATE	MATURITY DATE	CUSIP
December __, 2004	%		

REGISTERED OWNER: CEDE & Co.

PRINCIPAL AMOUNT: DOLLARS

The County of Allegheny (Pennsylvania) (the "Local Government Unit"), 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 and intending to be legally bound, hereby acknowledges itself indebted and promises to pay, as a general obligation of the Local Government Unit, to the Registered Owner hereof, on the Maturity Date stated above, upon presentation and surrender hereof (unless this Note, if redeemable, has been duly called for previous redemption and payment of the Redemption Price made or provided for) the Principal Amount stated above and to pay interest thereon at the Interest Rate per annum stated above, semiannually on May 1 and November 1 in each year during the term of this Note from the most recent November 1 and May 1, respectively, to which interest has been paid or provided for (or from the Dated Date if no interest has been paid) beginning May 1, 2005, until full payment of the Principal Amount to the Registered Owner has been made or provided for.

The principal of, interest on, and premium, if any, on this Note are payable in the coin or currency of the United States of America that is, at the time and place of payment, legal tender for payment of public and private debts, at the designated corporate trust offices of Wells Fargo Bank, N.A., Pittsburgh, Pennsylvania, in its capacity as Sinking Fund Depository, Paying Agent and Registrar (the "Sinking Fund Depository"); provided that, absent written demand by the Registered Owner, received by the Sinking Fund Depository not later than the Record Date, periodic payments of current interest will be made by check or draft drawn on the Sinking Fund Depository and mailed, first class, postage prepaid, to the Registered Owner on the appropriate Record Date at the address that appears on the Register described below, and that payment of principal will be made in like manner following presentation at the offices of the Sinking Fund Depository.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE LOCAL GOVERNMENT UNIT 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.

This Note is one of a duly authorized series of Notes, designated "General Obligation Notes, Series C-57" of the Local Government Unit (the "Notes"), 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 formal action of the Local Government Unit (the "Debt Ordinance"), and with the approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

Interest payable on any Interest Payment Date will be paid to the person in whose name this Note is registered at the close of business on the April 15 and October 15 (the "Record Date") immediately preceding the applicable Interest Payment Date. Any such interest which is not deposited with the Sinking Fund Depository on or before any such Interest Payment Date for payment to the Registered Owner of record on the Record Date will forthwith cease to be payable to such Registered Owner on the Record Date, and will be paid to the person in whose name this Note is registered on a Special Record Date for the payment of such defaulted interest to be fixed by the Sinking Fund Depository, notice of which shall be given to all Registered Owners not less than 10 days prior to such Special Record Date.

The Notes maturing after November 1, _____ are subject to redemption at the option of the Local Government Unit prior to their stated Maturity Dates, as a whole or in part from time to time, by lot within a maturity, on November 1, _____ and on any date thereafter, upon payment of the Redemption Price of 100% of the principal amount thereof, together with interest accrued to the date fixed for redemption.

The Notes maturing on November 1, _____ are subject to mandatory redemption prior to their stated Maturity Date, on November 1 of the years _____ through _____, inclusive, in the amounts provided in the Debt Ordinance, upon payment of the Redemption Price of 100% of the principal amount thereof, together with interest accrued to the date fixed for redemption.

If less than all Notes maturing on any one date are to be redeemed at any time, the Notes to be called for redemption at such time will be chosen by the Sinking Fund Depository, by lot.

Notice of redemption of any Note will be given to the Registered Owner of such Note by first class mail, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, all in the manner and upon the terms and conditions set forth in the Debt Ordinance. A portion of a Note of a denomination larger than \$5,000 may be redeemed, and in such case, upon the surrender of such Note, there will be issued to the Registered Owner thereof, without charge therefor, a registered Note or Notes for the unredeemed balance of the principal amount of such Note, all as more fully set forth in the Debt Ordinance. If notice of redemption has been duly given, the Notes or portions thereof specified in that notice become due and payable at the applicable Redemption Price on the designated redemption date, and if, on such date, moneys are

held by the Sinking Fund Depository for the payment of the Redemption Price of the Notes to be redeemed, together with interest to the date fixed for redemption, then from and after such date interest on such Notes ceases to accrue.

The Local Government Unit, pursuant to recommendations made by the Committee on Uniform Security Identification Procedures, has caused CUSIP numbers to be printed on the Notes, and has directed the Sinking Fund Depository to use such numbers in notices of redemption and other notices, if any, as a convenience to the Registered Owners of the Notes. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice and reliance may be placed only on the identification number printed hereon.

This Note may be transferred or exchanged only on the Register maintained by the Local Government Unit at the designated office of the Sinking Fund Depository upon surrender hereof by the Registered Owner at such office duly endorsed by, or accompanied by a written instrument of transfer duly executed by, the Registered Owner or his duly authorized agent or legal representative, in each case, in form and with a guaranty of signature satisfactory to the Local Government Unit and the Sinking Fund Depository. No service charge shall be imposed on any Registered Owner of any Note for any transfer or exchange of any Note, but the Local Government Unit may require payment of any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Notes.

The Local Government Unit is not required to register the transfer or exchange of any Note: (a) during the period of (15) business days before any (i) date of selection of Notes to be redeemed or (ii) date of maturity; or (b) after such Note has been selected for redemption.

Subject to the provisions of this Note and of the Debt Ordinance, the Sinking Fund Depository may treat the Registered Owner of this Note as the absolute owner hereof, for all purposes, whether or not this Note shall be overdue, and neither the Local Government Unit nor the Sinking Fund Depository shall be affected by any notice to the contrary.

This Note is hereby declared to be a general obligation of the Local Government Unit. The Local Government Unit hereby covenants with the Registered Owner of this Note to include the amount necessary to pay the debt service hereon, in each fiscal year for which such sums are due, in its budget for that year, to appropriate such amounts from its general revenues to the payment of such debt service and to duly and punctually pay or cause to be paid from its Sinking Fund or any other of its revenues or funds the principal of this Note and the interest hereon on the dates, at the place and in the manner stated herein, according to the true intent and meaning hereof.

It is hereby certified that all acts, conditions and things required by the laws of the Commonwealth of Pennsylvania to exist, to have happened or to have been performed, precedent to or in the issuance of this Note or in the creation of the debt of which this Note is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Note, together with all other indebtedness of the Local Government Unit, is within every debt and other limit applicable to the Local Government Unit prescribed by the

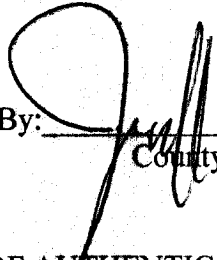
Constitution and the laws of the Commonwealth of Pennsylvania; that the Local Government Unit has established with the Sinking Fund Depository a Sinking Fund for this Note and shall deposit therein amounts sufficient to pay the principal of and interest on this Note as the same shall become due and payable; and that for the prompt and full payment of all obligations under this Note, the full faith, credit and taxing power of the Local Government Unit are hereby irrevocably pledged.

No recourse shall be had for the payment of the principal of or the interest on this Note, or for any claim based hereon, against any officer, agent or employee, past, present or future, of the Local Government Unit, as such, either directly or through the Local Government Unit, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise; all such liability of such officers, agents or employees is hereby renounced, waived and released as a condition of and as consideration for the issuance and acceptance of this Note.

This Note will not be valid or become obligatory for any purpose unless the Certificate of Authentication is signed by the manual signature of an authorized signatory of the Sinking Fund Depository.

IN WITNESS WHEREOF, the County of Allegheny has caused this Note to be duly executed in its name by the facsimile signature of the County Manager, together with a facsimile of its corporate seal affixed hereto.

COUNTY OF ALLEGHENY

By:  _____
County Manager

[SEAL]

CERTIFICATE OF AUTHENTICATION

This Note is one of the issue of \$ _____ County of Allegheny (Pennsylvania), General Obligation Notes, Series C-57 authorized by the within-mentioned Debt Ordinance.

The Text of Opinion contained herewith is the text of the opinion of Thorp Reed & Armstrong, LLP, Note Counsel, Pittsburgh, Pennsylvania, an executed counterpart of which, dated the date of delivery of and payment for the Notes, is on file at the offices of the Sinking Fund Depository.

WELLS FARGO BANK, N.A.,
as Sinking Fund Depository and Paying Agent

Authorized Signatory

AUTHENTICATION DATE:

TEXT OF OPINION OF THORP REED & ARMSTRONG, LLP, DELIVERED IN RESPECT
OF \$ _____, COUNTY OF ALLEGHENY (PENNSYLVANIA)
GENERAL OBLIGATION NOTES, SERIES C-57.

[OPINION OF NOTE COUNSEL]

[TEXT OF NOTE INSURANCE LEGEND, IF ANY].

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

Please insert Social Security
or other identifying number
of assignee

Please print or typewrite name and address
including postal zip code of transferee

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

_____ Agent to transfer the within Note on the
books kept for registration thereof, with full power of substitution in the premises.

Dated:

Signature(s) Guaranteed:

NOTICE: Signature(s) must be
guaranteed by a member firm of
an approved Signature Guarantee
Medallion Program.

NOTICE: The signature(s) to
this assignment must
correspond with the name(s) as
written upon the face of the
Note, in every particular,
without alteration or
enlargement, or any change
whatever.

--END OF ARTICLE 4--

ARTICLE 5 -- CONCERNING THE SINKING FUND DEPOSITORY

Section 5.01. Maintenance of Sinking Fund. The Sinking Fund Depository shall maintain the Sinking Fund as a separate account and shall, without further authorization other than as herein contained, pay, from moneys therein, the principal of, interest on and premium, if any, on the Notes, as and when the same shall become due, to the Registered Owners thereof.

Section 5.02. Unclaimed Funds. The Sinking Fund Depository shall return to the Local Government Unit all moneys deposited and held in a Sinking Fund for the payment of Notes which have not been claimed by the Registered Owners after two years from the date when payment is due, except where such funds are held for the payment of outstanding checks, drafts or other instruments of the Sinking Fund Depository. Nothing in this Section or by reason of any action taken hereunder shall relieve the Local Government Unit of its liability for payment to the Registered Owners of unrepresented Notes.

Section 5.03. Registration Agents. In the event the Notes are qualified by the Purchaser, or are otherwise determined to be eligible, for the deposit, book-entry, withdrawal and other related services of The Depository Trust Company (or another or additional recognized Note registration agent performing similar services), the Sinking Fund Depository shall undertake and perform those additional duties which may be required of it in order to enable The Depository Trust Company (or other similar agent) to perform such services for its participants, including the processing of transfers of registration within necessary time periods, the payment of Notes by acceptable fund transfers and the delivery of adequate redemption and other payment notices.

Section 5.04. Liability of Sinking Fund Depository. The Sinking Fund Depository may exercise any of the powers or perform any duty hereunder by or through attorneys, agents, receivers or employees, and it shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorney, agent, receiver or employee, if reasonable care has been exercised in his appointment and retention, nor shall the Sinking Fund Depository be otherwise answerable or accountable under any circumstances whatever in connection with such powers or duties, except for its own negligence or willful misconduct. The Sinking Fund Depository shall be protected and shall incur no liability in relying, acting or proceeding in good faith upon any notice, request, order, certificate, report, opinion, statement, affidavit, voucher, or other paper or document believed by it to be genuine and to have been signed, passed or presented by the proper person, nor be bound to make any investigation into the matters stated therein. However, the Sinking Fund Depository may, at any time in its discretion, require of the Local Government Unit full information and advice as to the above as well as to the performance of any of the covenants, conditions and agreements in this Debt Ordinance and may further make or cause to be made independent investigations, at the expense of the Local Government Unit, concerning its affairs. The Sinking Fund Depository may consult with legal counsel to be selected and employed by it and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

Section 5.05. Ownership of Notes. The Sinking Fund Depository, in its individual capacity or as a fiduciary, may become the owner of Notes, with the same rights it would have if

it were not the Sinking Fund Depository. The Sinking Fund Depository may also engage in, or be interested in, any financial or other transaction with the Local Government Unit not in derogation of the rights of the Registered Owners of the Notes.

Section 5.06. Interpretation. The Sinking Fund Depository may construe any of the provisions of this Debt Ordinance insofar as they may appear to be ambiguous or inconsistent with any other provision, and any construction of any such provisions by the Sinking Fund Depository in good faith will be binding upon the Registered Owners of the Notes.

Section 5.07. Fees and Expenses. The Sinking Fund Depository shall be paid such initial and periodic fees for its services and reimbursed for such expenses, as are specified in those proposals and other such communications made to and received by the Local Government Unit in connection with the Notes, if any, or, in all events, according to its usual, customary and reasonable schedule of fees and other charges.

Section 5.08. Removal; Resignation. The Sinking Fund Depository shall serve in such capacity at the will of the Local Government Unit and may be removed, at any time, with or without cause, by the appointment of a qualified successor and upon sixty (60) days' written notice to the Registered Owners of the Notes and to the Sinking Fund Depository. Moreover, but if, and only in the event that, the payment of the Notes has been insured to the Registered Owners thereof by a duly issued and outstanding Note Insurance Policy, then the Sinking Fund Depository and any successor shall be, and remain at all times, acceptable to the Insurer, who shall be empowered to request the appointment of a successor for cause shown. The Sinking Fund Depository may at any time resign and be discharged of the trust hereby created by giving not less than sixty (60) days' written notice to the Local Government Unit and the Registered Owners, specifying the date when such resignation shall take effect, in the manner required for Note redemption notices in Section 4.10 hereof, and such resignation shall take effect upon the day specified in such notice, unless previously a successor Sinking Fund Depository shall have been appointed by the Local Government Unit as hereinbefore provided, in which event such resignation shall take effect immediately on the appointment of such successor.

Section 5.09. Duties upon Default. If the Local Government Unit fails or refuses to make any required deposit in the Sinking Funds, the Sinking Fund Depository shall (a) independent of events and actions of Registered Owners, any trustee or any court or administrative or judicial officer undertaken or occurring pursuant to the provisions of Article 6 hereof: (1) notify the Department of Community and Economic Development of such failure or refusal, in order to facilitate an inspection of the Sinking Fund by the Department pursuant to Section 8226 of the Debt Act; and (2) notify the Insurer; and (b) in conjunction with such events and actions under Article 6 hereof, may, and upon request of the Registered Owners of twenty-five percent in principal amount of outstanding Notes and upon being indemnified against cost and expense shall, exercise any remedy, provided in Article 6 of this Debt Ordinance, in the Debt Act or at law or in equity, for the equal and ratable benefit of the Registered Owners of the outstanding Notes, and shall disburse all funds so collected equally and ratably to the Registered Owners thereof, pursuant to the requirements of Subchapter D of Chapter 82 of the Debt Act.

Notwithstanding the foregoing, however, if, and only in the event, the payment of the Notes has been insured to the Registered Owners thereof by a duly issued and outstanding Note Insurance Policy, then the Sinking Fund Depository shall diligently seek recovery of funds for the payment of the Notes from the Insurer according to the terms of the Note Insurance Policy and, in the event the terms of such Note Insurance Policy are being fully met and satisfied by the Insurer, then the Sinking Fund Depository may undertake the remedies provided in subparagraph (b) of this Section 5.09 only after notice to, and with the consent of, the Insurer.

--END OF ARTICLE 5 --

ARTICLE 6 – DEFAULTS AND REMEDIES

Section 6.01. Failure to Budget Debt Service. Subject to the provisions of Section 6.06 hereof, if applicable, if the Local Government Unit fails or refuses to make adequate provision in its budget for any fiscal year for the sums payable in respect of the Notes, then at the suit of the Registered Owner of any Note, the Court of Common Pleas of the county in which the Local Government Unit is located shall, after a hearing held upon such notice to the Local Government Unit as the Court may direct, and upon a finding of such failure or neglect, by writ of mandamus, require the Designated Officer to pay into the Sinking Fund the first tax moneys or other available revenues or moneys thereafter received in such fiscal year by such Designated Officer until the sum on deposit in the Sinking Fund shall equal the moneys that should have been budgeted or appropriated for the Notes.

Section 6.02. Failure to Pay Principal or Interest. Subject to the provisions of Section 6.06 hereof, if applicable, if the Local Government Unit fails or neglects to pay or cause to be paid the interest or principal on any of the Notes, as the same becomes due and payable, and such failure shall continue for thirty (30) days, the Registered Owner thereof shall, subject to any appropriate priorities created under the Debt Act, have the right to recover the amount due in an action in assumpsit in the Court of Common Pleas of the county in which the Local Government Unit is located. The judgment recovered shall have an appropriate priority upon the moneys next coming into the treasury of the Local Government Unit.

Section 6.03. Trustee for Registered Owners.

(a) Subject to the provisions of Section 6.06 hereof, if applicable, notwithstanding any other provision in this Debt Ordinance, if the Local Government Unit defaults in the payment of the principal of or the interest on the Notes after the same shall become due, and such default shall continue for thirty (30) days, or if the Local Government Unit fails to comply with any provision of the Notes or this Debt Ordinance, the Registered Owners of twenty-five percent in aggregate principal amount of the Notes then outstanding, by an instrument or instruments filed in the office for the recorder of deeds in the county in which the Local Government Unit is located, signed and acknowledged in the same manner as a deed to be recorded, may appoint a trustee, who may be the Sinking Fund Depository, to represent the Registered Owners of all such Notes, and such representation shall be exclusive for the purposes herein provided.

(b) Such trustee, may, and upon written request of the Registered Owners of twenty-five percent in principal amount of the Notes then outstanding and upon being furnished with indemnity satisfactory to it must, in his or its own name take one or more of the actions set forth below and the taking of such actions precludes similar action whether previously or subsequently initiated by individual Registered Owners of the Notes:

(1) By mandamus or other suit, action or proceeding at law or in equity, enforce all rights of the Registered Owners of the Notes or require the Local Government Unit to carry out any other agreement with the Registered Owners of the Notes;

(2) Bring suit on the Notes without the necessity for producing them;

(3) Petition the Court to levy, and the Court is hereby empowered to levy, after a hearing upon the notice to the owners of assessable real estate that the Court prescribes, the amount due before or after the exercise of any right of acceleration on the Notes plus estimated costs of collection upon all taxable real estate and other property subject to ad valorem taxation within the Local Government Unit, in proportion to the value thereof as assessed for tax purposes, and the trustee may collect, or cause the Local Government Unit to collect, such amounts as by foreclosure of a mortgage or security interest on the realty or other property if not paid on demand. Any assessment levied pursuant hereto has the same priority and preference, as against other liens or mortgages on the real estate or security interests in fixtures thereon or other property, as a lien for unpaid taxes;

(4) By suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owners of the Notes;

(5) After thirty (30) days' prior written notice to the Local Government Unit, declare the unpaid principal of all the Notes to be, which will thereby become, forthwith due and payable with interest at the rates stated in the Notes until final payment (and, if all defaults are made good, then to annul the declaration and its consequences).

(c) If the Sinking Fund Depository is willing to serve and exercise the powers conferred upon a trustee appointed by this Section 6.03, no trustee appointed in the manner provided in this Section will have the powers herein set forth unless the appointment under this Section was executed by or pursuant to the authority of the Registered Owners of fifty-one (51%) percent of the principal amount of Notes then outstanding.

(d) Proof of ownership of Notes and of execution of instruments relative thereto is to be made according to the provisions of Section 8114 of the Debt Act.

Section 6.04. Costs of Suits or Proceedings. In any suit, action or proceeding by or on behalf of the Registered Owners of defaulted Notes, the fees and expenses of a trustee or receiver, including operating costs of a project and reasonable counsel fees, constitute taxable costs, and all such costs and disbursements allowed by the court will be deemed additional principal due on the Notes, and must be paid in full from any recovery prior to any distribution to the Registered Owners of the Notes.

Section 6.05. Distribution of Moneys Realized for Registered Owners. Moneys or funds collected for the Registered Owners of defaulted Notes shall, after the payment of costs and fees as provided in Section 6.04, be applied by the trustee or receiver as follows:

(a) Unless the principal of all the Notes has become or has been declared due and payable, (i) to the payment to the Registered Owners entitled thereto of all installments of interest then due in the order of their respective due dates and, if the amount available is not sufficient to pay any installment in full, then to the payment ratably, according to the amounts due on such installment, to the Registered Owners entitled thereto, without any discrimination or preference; and (ii) to the payment to the Registered Owners entitled thereto of the unpaid

principal of any Notes which have become due, whether at stated Maturity Dates or by call for redemption, in the order of their respective due dates, and if the amount available is not sufficient to pay in full all the Notes due on any date, then to the payment ratably, according to the amounts of principal due on such dates, to the Registered Owners entitled thereto without any discrimination or preference;

(b) If the principal of all the Notes has become or has been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Notes without preference or priority of principal over interest or interest over principal, or of any installment of interest over any other installment of interest, or of any Note over any other Note, ratably according to the amounts due respectively for principal and interest, to the Registered Owners entitled thereto without any discrimination or preference.

Section 6.06. Note Insurance Policy; Procedure for Payment Thereunder. Payment of the Notes will be insured to the Registered Owners by the Note Insurance Policy hereby authorized to be purchased upon the issuance and delivery of the Notes.

No provisions of this Debt Ordinance, the Debt Act or otherwise arising at law or in equity for the enforcement of claims by Registered Owners for the payment of either principal or interest in respect of the Notes may be effectuated without the consent of the Insurer, as long as the terms of the Note Insurance Policy are being fully met and satisfied.

If the principal and/or interest due on the Notes is paid by the Insurer pursuant to the Note Insurance Policy, all covenants, agreements and other obligations of the Local Government Unit to the Registered Owners of the Notes, under this Debt Ordinance and under the Debt Act, will continue to exist and will run to the benefit of the Insurer, who will be subrogated to the rights of the Registered Owners. Accordingly, the Sinking Fund Depository must follow all instructions of the Insurer for the prompt payment of the principal of and/or interest due on the Notes to the Registered Owners, including provision of the Register to the Insurer, processing of checks or other remittances on behalf of the Insurer, collection of Notes and notation of the Insurer's interests as subrogee within its records and on its books.

--END OF ARTICLE 6--

ARTICLE 7 – AMENDMENTS AND MODIFICATIONS

Section 7.01. Amendments Without Consent. The Local Government Unit may, from time to time and at any time, enact, execute, file with the Department and deliver to the Sinking Fund Depository, who shall accept the same, debt ordinances amending, modifying or supplemental hereto as shall not be inconsistent with the terms and provisions hereof and which shall not adversely affect the rights of the Registered Owners of the Notes (which modifying or supplemental debt ordinances shall thereafter form a part hereof) for the following purposes:

- (a) to cure any ambiguity, formal defect or omission in this Debt Ordinance;
- (b) to grant to or confer upon the Sinking Fund Depository for the benefit of the Registered Owners of the Notes any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred thereupon;
- (c) to add to this Debt Ordinance additional covenants and agreements thereafter to be observed by, or to surrender any right or power herein reserved to or conferred upon, the Local Government Unit; or
- (d) to amend the definition of the Project and change the purposes of the Notes, in compliance with all provisions of the Debt Act.

Section 7.02. Amendments With Consent. With the consent of the Registered Owners of not less than sixty-six and two-thirds per centum (66 2/3%) in outstanding principal amount of the Notes (and with the consent of the Insurer, if any), the Local Government Unit may, from time to time and at any time, enact, execute, file with the Department and deliver to the Sinking Fund Depository, who shall accept the same, debt ordinances amending, modifying or supplemental hereto for the purpose of adding any provision to or changing in any manner or eliminating any of the provisions of this Debt Ordinance or of modifying in any manner the rights of the Registered Owners of the Notes; provided, however, that no such modifying or supplemental debt ordinance shall: (i) extend the fixed maturity date of any Note, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Registered Owner of each Note so affected; or (ii) reduce the aforesaid percentage of Notes, the Registered Owners of which are required to consent to any such modification or supplement, without the consent of the Registered Owners of all Notes then outstanding. It shall not be necessary for the consent of the Registered Owners to approve the particular form of any proposed modification or supplement, if such consent shall approve the substance thereof.

Section 7.03. Acceptance of Amendment. The Sinking Fund Depository shall accept any amending, modifying or supplemental debt ordinance which the Local Government Unit is authorized to execute hereunder upon delivery of the following:

- (a) The amending, modifying or supplemental debt ordinance, duly executed with proof of filing with the Department; and

(b) An opinion of Note Counsel to the effect that such amending, modifying or supplemental debt ordinance was properly enacted, executed and delivered pursuant to: (i) the provisions of Section 7.01 hereof; or (ii) the provisions of Section 7.02 hereof and that the consent of the Registered Owners of the Notes required hereunder has been secured, and that, in all events, the enactment, execution and delivery of such debt ordinance complies with all applicable requirements of law, including the Debt Act.

Section 7.04. Effect of Amendment. Upon the execution of any amending, modifying or supplemental debt ordinance pursuant to the provisions of this Article, this Debt Ordinance shall be and be deemed to be amended, modified and supplemented in accordance therewith, and the respective rights, limitation of rights, obligations, duties and immunities of parties hereunder shall thereafter be determined, exercised and enforced hereunder subject in all respects to such amendments, modifications and supplements, and all the terms and conditions of any such debt ordinance shall be and be deemed to be part of the terms and conditions of this Debt Ordinance for any and all purposes.

Section 7.05. Notice of Amendment. Notice, including a summary description, of any amending, modifying or supplemental debt ordinance once effectuated shall be confirmed promptly to all Registered Owners and shall be given to Rating Agencies and the Insurer, if any, in the same manner as notices of redemption as in Section 4.10 hereinbefore provided.

--END OF ARTICLE 7--

ARTICLE 8 -- DISCHARGE OF DEBT ORDINANCE

Section 8.01. If the Local Government Unit shall pay or cause to be paid unto the Registered Owners the principal of, the interest on and the premium, if any, on the Notes, at the times and in the manner stipulated therein, then this Debt Ordinance and the estate and rights hereby granted shall cease, determine and be void, and thereupon the Sinking Fund Depository shall release, cancel and discharge the lien and obligations of this Debt Ordinance and deliver to the Local Government Unit any funds or documents at the time subject to the lien of this Debt Ordinance which may then be in its possession; provided, however, that until such time as full and complete payment is so made, this Debt Ordinance shall be and remain in full force and effect.

Notes, for the payment or redemption of which cash and/or securities which upon maturity will yield funds in the full amount required therefor shall have been deposited with the Sinking Fund Depository, whether upon or prior to the Maturity Date or the Redemption Date of such Notes, shall be deemed to be paid within the meaning of this Article, provided, however, that if such Notes are to be redeemed prior to the Maturity Date(s) thereof, notice of such redemption shall have been duly given or adequate provision shall have been made thereof.

In the event that the principal and/or interest due on the Notes is paid by the Insurer pursuant to the Note Insurance Policy, the Notes will remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Local Government Unit, until full, proper and complete payment and reimbursement is made to the Insurer by the Local Government Unit pursuant to the Note Insurance Policy.

--END OF ARTICLE 8--

ARTICLE 9 - FEDERAL INCOME TAX COVENANTS

Section 9.01. Compliance in General. The Local Government Unit hereby states its intention to comply with all the provisions of Sections 103 and 141 through 150, inclusive, of the Internal Revenue Code of 1986, as amended (the "Tax Code"); the Local Government Unit represents and covenants that it has undertaken and performed, and will undertake and perform, or, as appropriate, discontinue, upon the instruction of Note Counsel, all those acts necessary and proper to the maintenance of the exclusion from gross income of the interest on the Notes to the Registered Owners thereof conferred by said Sections, as interpreted by applicable regulations, rulings or other pronouncements of the Secretary of the United States Department of the Treasury.

Section 9.02. Not a Private Activity Note; Taxing Powers. The Local Government Unit covenants that the Notes are not an issue: (1)(a) more than 10% of the proceeds of which are to be used for any private business use, and (b) the payment of the principal of, or the interest on, more than 10% of the proceeds, directly or indirectly, is (x) secured by any interest in property used or to be used for a private business use, or payments in respect of such property, or (y) to be derived from payments in respect of property, or borrowed money, used or to be used for a private business use; nor (2) the proceeds of which, in an amount exceeding the lesser of 5% of such proceeds, or \$5,000,000, are to be used to make or finance loans to persons other than governmental units.

The Local Government Unit certifies that it is a political subdivision and governmental unit with general taxing powers.

Section 9.03. Non-Arbitrage. The Local Government Unit covenants that no portion of the proceeds of the Notes is reasonably expected (at the time of issuance of the Notes) to be used, nor will intentionally be so used, directly or indirectly, (1) to acquire higher yielding investments, or (2) to replace funds which were used directly or indirectly to acquire higher yielding investments. This prohibition will not apply to proceeds invested in higher yielding investments (a) for a reasonable temporary period until such proceeds are needed for the purpose of the Notes, or (b) as a part of a reasonably required reserve or replacement fund. For these purposes, "higher yielding investment" means any investment property (generally, a security or debt obligation) which produces a yield over the term of the Notes which is materially higher than the yield on the Notes, but does not include any tax-exempt Note.

Section 9.04. Required Rebate. The Local Government Unit covenants to pay and rebate its arbitrage profits (being an amount equal to the sum of: (1) the excess of (a) the amount earned on all nonpurpose investments over (b) the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Notes; plus (2) any income attributable to the excess [including any gain or loss on the disposition of a nonpurpose investment]) to the United States in accordance with the provisions of Section 148(f) of the Tax Code and regulations thereunder, but only as and to the extent that none of the following exceptions apply to the Local Government Unit.

Exceptions. Rebate to the United States as described above shall not be required of the Local Government Unit if, and in the event that any one of the following exceptions applies: (i) **SIX MONTH SAFE HARBOR** -- the gross proceeds of the Notes are expended for the Project by no later than the day which is six months after the date of issuance of the Notes, or, the gross proceeds, except the lesser of five percent of the gross proceeds of the Notes, or \$100,000, are so expended and such remaining portion is expended by no later than the day which is one year after the date of issuance of the Notes; (ii) **18-MONTH SPEND-DOWN** -- the following cumulative percentages of the gross and investment proceeds of the Notes are expended for the Project by no later than the day which is the indicated period of time following the date of issuance of the Notes; 15% -- six months; 60% -- one year; 100% -- eighteen months (except that not more than 5%, representing only reasonable retainage on the costs of the Project, may remain unexpended after eighteen months, but not in excess of thirty months); (iii) **TWO YEAR SPEND-DOWN (CONSTRUCTION ISSUES ONLY)** -- the following cumulative percentages of available construction proceeds of the Notes are expended for the Project by no later than the day which is the indicated respective period of time following the date of issuance of the Notes: 10% -- six months; 45% -- one year; 75% -- eighteen months; 100% -- two years (except that not more than 5%, representing only reasonable retainage on the costs of the Project, may remain unexpended after two years, but not in excess of three years); or (iv) **SMALL ISSUER** -- (a) 95 percent or more of the net sale proceeds (being gross proceeds minus amounts deposited into a reasonably required reserve fund) of the Notes is to be used for local governmental activities of the Local Government Unit (or a subordinate entity), and (b) the aggregate face amount of all tax-exempt Notes, other than private activity Notes, issued by the Local Government Unit, and all subordinate entities thereof (but not including any Note not outstanding or to be redeemed, as may be excluded under prevailing interpretations of the Tax Code and regulations thereunder), during the calendar year in which the Notes are issued, is not reasonably expected to exceed \$5,000,000.

For these purposes, "gross proceeds" means any proceeds and replacement proceeds of the Notes, "available construction proceeds" has the meaning used in §148(f)(4)(C)(vi) of the Tax Code, "sale proceeds" means all amounts actually or constructively received from the sale of the Notes, except accrued interest on the Notes deposited to the Sinking Fund, and "nonpurpose investment" means any investment property acquired with the gross proceeds of the Notes and not required to carry out the governmental purpose of the Notes.

Section 9.05. Information Reporting. The Local Government Unit shall prepare, or cause to be prepared, execute and submit to the Secretary IRS Form 8038-G (or 8038-GC, as applicable) according to all the requirements for information reporting contained in Section 149(e) of the Tax Code.

--END OF ARTICLE 9--

ARTICLE 10 - FEDERAL SECURITIES LAW COVENANTS

Section 10.01. Compliance in General. The Local Government Unit hereby states its intention to comply, and to facilitate compliance by the Purchaser and other related parties, with all the provisions of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), including for this purpose the related body of securities disclosure and anti-fraud laws, both statutory and common; the Local Government Unit represents and covenants that it has undertaken and performed, and will undertake and perform, or, as appropriate, discontinue, upon appropriate instructions of Note Counsel or otherwise, all those acts necessary and proper for compliance with the Rule, as interpreted by applicable regulations, rulings or other pronouncements of the Securities and Exchange Commission, or other appropriate regulatory body.

Section 10.02. Official Statement. The Local Government Unit acknowledges that preparation of the Official Statement by counsel to the Purchaser, with commentary from other professional advisors, was done on its behalf and for its benefit, as an agent, and that, in particular, while matters of style and format may have originated with such counsel, all substantive data and information was provided by the Local Government Unit. The Local Government Unit, upon review as to completeness and accuracy, hereby deems the Preliminary Official Statement final as of its date, and certifies the Preliminary Official Statement did not and does not, as of its date and as of this date, contain any untrue statements of a material fact or omit to state any material fact which should be included therein in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, as required by statute, regulation or substantive law. The distribution of the Preliminary Official Statement by the Purchaser is hereby ratified and approved. The Local Government Unit hereby covenants to provide a final Official Statement to the Purchaser within seven business days of the date of acceptance of the Purchase Proposal. The Designated Officer is hereby authorized and directed to execute the same with such completions therein from the preliminary document as may be necessary and, provided further, that execution of a certificate concurrently upon, or subsequent to, preparation of the final Official Statement, including any settlement certificate, by a Designated Officer, regarding the truth and accuracy of the final Official Statement is tantamount to execution of the original document and full and sufficient authority for the printing of one or more conformed signatures therein. The Local Government Unit hereby covenants that the same representations regarding finality and completeness made regarding the Preliminary Official Statement will be true of the final Official Statement as of its date and as of Settlement. The Purchaser is authorized to use the final Official Statement in connection with the sale of the Notes.

Section 10.03. Continuing Disclosure. The Local Government Unit will execute and deliver a Continuing Disclosure Certificate under which it will agree to provide or cause to be provided (i) annual financial information and operating data, and (ii) in a timely manner, to each nationally recognized municipal securities information repository or to the Municipal Securities Rulemaking Board, and to the state information depository, notice of certain material events, as defined in the Rule. The Purchaser's obligation to purchase the Notes is conditioned upon its receipt of the Continuing Disclosure Certificate, at or prior to the delivery of the Notes, in form and substance reasonably satisfactory to the Purchaser.

--END OF ARTICLE 10--

ARTICLE 11 - SALE OF NOTES; SETTLEMENT

Section 11.01. Award to Purchaser. After due consideration of various factors, including professional advice from the Financial Advisor and current market conditions, the Governing Body hereby determines that a private sale by negotiation of the Notes is in the best financial interest of the Local Government Unit.

The Notes are hereby awarded and sold at private sale by negotiation to the Purchaser at the Purchase Price, in accordance with all the terms of the Purchase Proposal, which is hereby authorized to be accepted by the Chief Executive and, upon such acceptance, shall be incorporated by reference into this Debt Ordinance. The Chief Executive, or other appropriate Designated Officers, are authorized and directed to sign such Purchase Proposal, return it to the Purchaser and file a copy of the same with the records of the Local Government Unit.

Section 11.02. Delivery of Notes. The Designated Officers are hereby authorized and directed to deliver the Notes to the Sinking Fund Depository for authentication and thereafter to the Purchaser against confirmed receipt of the Purchase Price thereof.

Section 11.03. Clearing Fund. The Designated Officers are hereby authorized and directed to establish with the Sinking Fund Depository, in the name of the Local Government Unit, a one-day demand deposit account to facilitate the settlement of the Notes, designated the "Clearing Fund". The Purchase Price shall be deposited into the Clearing Fund immediately upon receipt and the Designated Officers are hereby authorized and directed to transfer and invest funds, to pay all necessary, usual and proper costs of issuance of the Notes, to execute and deliver such documents and to do all such other acts, upon advice of Financial Advisor, Note Counsel or Solicitor, as are reasonable and necessary to ensure a satisfactory settlement of the sale of the Notes and a proper application of the proceeds of the Notes to the Project.

Section 11.04. Expeditious Settlement. The Local Government Unit hereby authorizes and directs the Financial Advisor, Note Counsel, the Purchaser and Solicitor to undertake and perform all actions on behalf of the Local Government Unit necessary and proper to the expeditious settlement of the sale of the Notes.

The Designated Officers are further authorized and directed to undertake and perform, or cause to be undertaken or performed, all such ordinary duties of the Local Government Unit (and the same are hereby specifically approved) which may be required under, or reasonably contemplated by, the Purchase Proposal, including, without limitation, application and qualification for certain Note ratings and/or policy(ies) of note insurance, establishment of bank accounts with authorized depositories for the deposit and management of note proceeds into appropriate escrow funds, purchase of necessary investments, retention of professionals, Note printing, and execution and delivery of such certificates, orders and agreements as may be necessary, in the opinion of Financial Advisor, Note Counsel, the Purchaser or Solicitor, to settlement of the sale of the Notes.

--END OF ARTICLE 11--

ARTICLE 12 - MISCELLANEOUS

Section 12.01. Ratification. The action of the proper officers or agents in advertising a Summary Notice of this Debt Ordinance, as required by law, is ratified and confirmed. The advertisement of the Enactment Notice of this Debt Ordinance is hereby directed.

Section 12.02. Debt Ordinance A Contract. This Debt Ordinance shall be a contract with the Registered Owners, from time to time, of the Notes.

Section 12.03. Statutory References. All references to specific provisions of statutory law herein contained may be read and interpreted by reference to amended, successor or replacement laws, but only to the extent consistent with the intent and clear meaning of this Debt Ordinance. All inconsistencies shall be resolved with recognition of, and in favor of, the rights of the owners of the Notes, whose rights shall not be impaired.

Section 12.04. Benefitted Parties. Nothing in this Debt Ordinance, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Local Government Unit, the Sinking Fund Depository, the Registered Owners of the Notes (and the Insurer, if any), any right, remedy or claim under or by reason of this Debt Ordinance or any covenant, condition or stipulation hereof; and all of the covenants, stipulations, promises and agreements in this Debt Ordinance contained by and on behalf of the Local Government Unit shall be for the sole and exclusive benefit of such persons.

Section 12.05. No Personal Liability. No covenant or agreement contained in the Notes or in this Debt Ordinance shall be deemed to be the covenant or agreement of any member, officer, agent, attorney or employee of the Local Government Unit in his individual capacity, and neither the members of the Governing Body nor any Designated Officer executing the Notes shall be liable personally on the Notes or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 12.06. Counterparts. This Debt Ordinance may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; but such counterparts shall constitute but one and the same instrument.

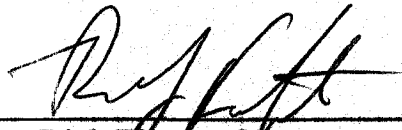
--END OF ARTICLE 12--

SECTION 3. 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.

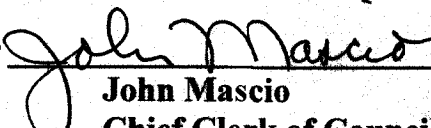
SECTION 4. Repealer. Any Resolution or Ordinance or part thereof conflicting with the provisions of this Ordinance is hereby repealed so far as the same affects this Resolution.

Enacted in Council, this 6th day of December, 2004,

Council Agenda No. 1759-04




Rich Fitzgerald
President of Council

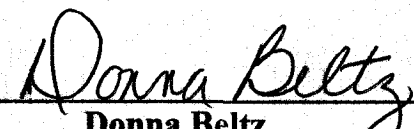
Attest: 

John Mascio
Chief Clerk of Council

Chief Executive Office December _____, 2004

Approved: 

Dan Onorato
Chief Executive

Attest: 

Donna Beltz
Executive's Assistant

DEBT SERVICE
AND PRINCIPAL AMORTIZATION SCHEDULE

Date	Principal	Coupon	Yield	Annual	Proceeds	Interest	Debt Service	Annual I Servic
5/1/2005						3,931,250.00	3,931,250.00	
11/1/2005	260,000.00	7.50%	7.50%	100.00%	260,000.00	6,937,500.00	7,197,500.00	11,128.7
5/1/2006						6,927,750.00	6,927,750.00	
11/1/2006	255,000.00	7.50%	7.50%	100.00%	255,000.00	6,927,750.00	7,182,750.00	14,110.5
5/1/2007						6,918,187.50	6,918,187.50	
11/1/2007	255,000.00	7.50%	7.50%	100.00%	255,000.00	6,918,187.50	7,173,187.50	14,091.3
5/1/2008						6,908,625.00	6,908,625.00	
11/1/2008	255,000.00	7.50%	7.50%	100.00%	255,000.00	6,908,625.00	7,163,625.00	14,072.2
5/1/2009						6,899,062.50	6,899,062.50	
11/1/2009	1,005,000.00	7.50%	7.50%	100.00%	1,005,000.00	6,899,062.50	7,904,062.50	14,803.1
5/1/2010						6,861,375.00	6,861,375.00	
11/1/2010	3,565,000.00	7.50%	7.50%	100.00%	3,565,000.00	6,861,375.00	10,426,375.00	17,287.7
5/1/2011						6,727,687.50	6,727,687.50	
11/1/2011	6,040,000.00	7.50%	7.50%	100.00%	6,040,000.00	6,727,687.50	12,767,687.50	19,495.3
5/1/2012						6,501,187.50	6,501,187.50	
11/1/2012	9,145,000.00	7.50%	7.50%	100.00%	9,145,000.00	6,501,187.50	15,646,187.50	22,147.3
5/1/2013						6,158,250.00	6,158,250.00	
11/1/2013	12,405,000.00	7.50%	7.50%	100.00%	12,405,000.00	6,158,250.00	18,563,250.00	24,721.5
5/1/2014						5,693,062.50	5,693,062.50	
11/1/2014	15,835,000.00	7.50%	7.50%	100.00%	15,835,000.00	5,693,062.50	21,528,062.50	27,221.1
5/1/2015						5,099,250.00	5,099,250.00	
11/1/2015	23,525,000.00	7.50%	7.50%	100.00%	23,525,000.00	5,099,250.00	28,624,250.00	33,723.5
5/1/2016						4,217,062.50	4,217,062.50	
11/1/2016	24,365,000.00	7.50%	7.50%	100.00%	24,365,000.00	4,217,062.50	28,582,062.50	32,799.1
5/1/2017						3,303,375.00	3,303,375.00	
11/1/2017	26,105,000.00	7.50%	7.50%	100.00%	26,105,000.00	3,303,375.00	29,408,375.00	32,711.7
5/1/2018						2,324,437.50	2,324,437.50	
11/1/2018	18,005,000.00	7.50%	7.50%	100.00%	18,005,000.00	2,324,437.50	20,329,437.50	22,653.8
5/1/2019						1,649,250.00	1,649,250.00	
11/1/2019	13,265,000.00	7.50%	7.50%	100.00%	13,265,000.00	1,649,250.00	14,914,250.00	16,563.5
5/1/2020						1,151,812.50	1,151,812.50	
11/1/2020	5,565,000.00	7.50%	7.50%	100.00%	5,565,000.00	1,151,812.50	6,716,812.50	7,868.6
5/1/2021						943,125.00	943,125.00	
11/1/2021	7,235,000.00	7.50%	7.50%	100.00%	7,235,000.00	943,125.00	8,178,125.00	9,121.2
5/1/2022						671,812.50	671,812.50	
11/1/2022	11,540,000.00	7.50%	7.50%	100.00%	11,540,000.00	671,812.50	12,211,812.50	12,883.6
5/1/2023						239,062.50	239,062.50	
11/1/2023	6,375,000.00	7.50%	7.50%	100.00%	6,375,000.00	239,062.50	6,614,062.50	6,853.1
5/1/2024						0.00	0.00	
11/1/2024					0.00	0.00	0.00	
5/1/2025						0.00	0.00	
11/1/2025					0.00	0.00	0.00	
5/1/2026						0.00	0.00	
11/1/2026					0.00	0.00	0.00	
5/1/2027						0.00	0.00	
11/1/2027					0.00	0.00	0.00	
5/1/2028						0.00	0.00	
11/1/2028					0.00	0.00	0.00	
5/1/2029						0.00	0.00	
11/1/2029					0.00	0.00	0.00	
Total	185,000,000.00				185,000,000.00	169,257,500.00	354,257,500.00	354,257.5

**PROOF OF COMPLIANCE
WITH LOCAL GOVERNMENT UNIT DEBT ACT SECTION 8142(b)(2)**

Year	Existing Debt Service	Refunded Debt Service	Series 2004 Debt Service	Total Debt Serv
2005	63,730,930.00	-15,433,411.25	11,128,750.00	59,426,268
2006	63,304,825.00	-13,098,288.75	14,110,500.00	64,317,036
2007	63,892,520.00	-11,970,273.75	14,091,375.00	66,013,621
2008	63,483,555.00	-12,099,936.25	14,072,250.00	65,455,868
2009	60,921,282.50	-12,063,606.25	14,803,125.00	63,660,801
2010	57,989,362.50	-11,404,266.25	17,287,750.00	63,872,846
2011	52,255,831.25	-11,415,313.75	19,495,375.00	60,335,892
2012	49,383,905.00	-11,419,101.25	22,147,375.00	60,112,178
2013	46,510,025.00	-11,427,426.25	24,721,500.00	59,804,098
2014	43,629,188.75	-11,430,231.25	27,221,125.00	59,420,082
2015	35,213,630.00	-17,314,681.25	33,723,500.00	51,622,448
2016	37,895,468.75	-20,237,936.25	32,799,125.00	50,456,657
2017	35,030,505.00	-17,945,425.00	32,711,750.00	49,796,830
2018	32,170,510.00	-19,960,250.00	22,653,875.00	34,864,135
2019	29,312,750.00	-17,446,762.50	16,563,500.00	28,429,487
2020	26,451,218.75	-14,453,163.75	7,868,625.00	19,866,680
2021	25,174,575.00	-14,847,320.00	9,121,250.00	19,448,505
2022	22,340,650.00	-16,971,820.00	12,883,625.00	18,252,455
2023	19,543,180.00	-11,275,350.00	6,853,125.00	15,120,955
2024	16,717,280.00	-1,756,750.00	0.00	14,960,530
2025	13,988,755.00	-1,759,500.00	0.00	12,229,255
2026	10,381,705.00	-1,758,500.00	0.00	8,623,205
2027	10,460,505.00	-1,758,750.00	0.00	8,701,755
2028	4,519,855.00	0.00	0.00	4,519,855
2029	4,520,005.00	0.00	0.00	4,520,005
Total	888,822,017.50	-279,248,063.75	354,257,500.00	963,831,45

CERTIFICATE

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
Ronald L. Francis, Jr.	<u>X</u>	_____	_____	_____
Jan Rea	<u>X</u>	_____	_____	_____
Thomas Shumaker, II	_____	_____	_____	<u>X</u>
Doug Price	<u>X</u>	_____	_____	_____
Vince Gastgeb	<u>X</u>	_____	_____	_____
Joan Cleary	<u>X</u>	_____	_____	_____
Eileen Watt	<u>X</u>	_____	_____	_____
Charles J. Martoni, Ph.D.	<u>X</u>	_____	_____	_____
C.L. Jabbour	<u>X</u>	_____	_____	_____
William Russell Robinson	<u>X</u>	_____	_____	_____
Rich Fitzgerald	<u>X</u>	_____	_____	_____
Wayne Fontana	<u>X</u>	_____	_____	_____
Brenda Frazier	<u>X</u>	_____	_____	_____
John P. DeFazio	<u>X</u>	_____	_____	_____
Dave Fawcett	_____	_____	_____	<u>X</u>

WITNESS my hand and seal of the County of Allegheny this 6th day of December, 2004.

[SEAL]

COUNTY OF ALLEGHENY

John Masco
Chief Clerk of Council