

RESOLUTION

WHEREAS, Port Authority of Allegheny County (“Authority”) is a body corporate and politic, created by and is governed by the Act of April 6, 1956, P.L. (1955) 1414, 55 P.S. §§551 et seq., as amended (the “Enabling Law”); and

WHEREAS, the Authority, pursuant to the power and authority vested in it by law, owns and operates a public transit system (the “System”), as a regional mass transportation provider in the County of Allegheny; and

WHEREAS, pursuant to the Enabling Law, the Authority is authorized to issue and sell bonds for the purposes of, inter alia, acquiring, improving and maintaining the System, reimbursing any costs of a project initially paid for by the Authority or any other person, funding any required reserves and paying the costs of issuance of such bonds, including, without limitation, costs of obtaining credit enhancement for the bonds; and

WHEREAS, the Authority has heretofore issued \$250,695,000, aggregate principal amount of its Special Revenue Transportation Bonds, Refunding Series of 2001 (the “2001 Bonds”), of which \$237,340,000 are outstanding, pursuant to the terms of the Indenture of Trust dated as of March 1, 1996, as amended and supplemented (collectively, the “1996 Indenture”) between the Authority and U.S. Bank, National Association, as Trustee (the “2001 Trustee”); and

WHEREAS, the 2001 Bonds are special, limited obligations of the Authority, secured by the Authority’s assignment and pledge to the 2001 Trustee of moneys (the “Pledged Revenues”) distributed to the Authority by the Treasury Department of the Commonwealth of Pennsylvania under Section 1310 of the Public Transportation Assistance Law (Chapter 13 of Title 74 of the Pennsylvania Consolidated Statutes), in particular all moneys distributed to the Authority from the Public Transportation Assistance Fund; and

WHEREAS, the Authority has heretofore entered into an International Swaps and Derivatives Association, Inc. Master Agreement (1992 ed.) (Local Currency - Single Jurisdiction) (“ISDA Master Agreement”), including a Schedule and Confirmation (as such terms are defined in the ISDA Master Agreement), dated as of March 9, 2004, and other documents and confirming evidence (collectively, the “Swap Agreement”), exchanged between itself and Merrill Lynch Capital Services Inc. as the swap counterparty (the “Swap Counterparty”); and

WHEREAS, in connection with the execution and delivery of the Swap Agreement, in order to secure the payment of its Uninsured Payment Obligations (as

defined in the Trust Indenture, dated as of June 15, 2001, as amended and supplemented by the First Supplemental Indenture of Trust, dated as of March 9, 2004 (collectively, the "Subordinate Lien Indenture"), between the Authority and U.S. Bank National Association, as Trustee (the "Subordinate Lien Trustee"), which includes any termination payment on the Swap Agreement, to the Swap Counterparty, the Authority has heretofore issued and delivered to the Swap Counterparty its Port Authority of Allegheny County, Subordinate Lien Special Revenue Transportation Note, Series of 2004 in the maximum principal amount of \$38,750,000 (the "2004 Note"); and

WHEREAS, the 2004 Note is a special, limited obligation of the Authority, secured by the Authority's assignment and pledge to the Subordinate Lien Trustee of the Pledged Revenues; and

WHEREAS, the Authority has determined that it is beneficial and in its interest to undertake a project (the "Project") consisting of (i) the current refunding to the 2001 Bonds, (ii) the current refunding of the 2004 Note in order to provide a portion of the funds necessary to terminate the Swap Agreement which is related to the 2001 Bonds, (iii) the funding of such reserve funds relating to the 2011 Bonds (as hereinafter defined) as the Authority shall deem necessary, and (iv) the payment of costs of issuance relating to the 2011 Bonds, including the possible payment of a bond insurance premium or surety bond reserve premium; and

WHEREAS, in order to finance the Project, the Authority shall issue its bonds, in one or more series, in an aggregate principal amount not to exceed \$325,000,000 to be designated Port Authority of Allegheny County Special Revenue Transportation Bonds, Refunding Series of 2011, or such other designation as the Authority shall determine (the "2011 Bonds"); and

WHEREAS, the 2011 Bonds will be issued pursuant to the terms of an Indenture of Trust (the "Indenture") between the Authority and a bond trustee to be selected by the Authority (the "Trustee") and will be secured by the Authority's assignment and pledge to the Trustee of the Pledged Revenues; and

WHEREAS, the Authority proposes to sell the 2011 Bonds at private negotiated sale pursuant to a bond purchase contract (the "Purchase Contract") with one or more investment banking firms (the "Underwriters") to be selected by the Authority; and

WHEREAS, the Underwriters will offer the 2011 Bonds for sale to the public pursuant to a preliminary official statement (the "Preliminary Official Statement") and a final official statement (the "Official Statement") of the Authority with respect to the 2011 Bonds; and

WHEREAS, certain action is required to be taken by the Authority as a prerequisite to the issuance and sale of the 2011 Bonds.

NOW, THEREFORE BE IT RESOLVED, that:

Section 1. AUTHORIZATION OF ISSUANCE OF THE 2011 BONDS AND APPROVAL OF THE REFUNDING. The Board of the Authority hereby (i) authorizes the issuance of the 2011 Bonds in an aggregate principal amount not to exceed \$325,000,000 and having maturities, rates of interest, provisions for optional and mandatory redemption and other terms and provisions, including credit enhancement, as shall be set forth in the Purchase Contract and the Indenture; and (ii) approves the application of the proceeds thereof for the Project. The final maturity of the 2011 Bonds shall not exceed March 1, 2029, which is the final maturity of the 2001 Bonds and the 2004 Note. The total debt service payable on the 2011 Bonds shall not exceed the total debt service payable on the 2001 Bonds and the 2004 Note.

Section 2. REQUEST FOR PROPOSALS FOR UNDERWRITERS AND TRUSTEE. The Board of the Authority hereby authorizes and directs the chief executive officer and/or the chief financial officer, with the assistance of Public Financial Management, Inc. and G-Entry Principle, PC, the Authority's financial advisors with respect to the issuance of the 2011 Bonds, to issue requests for proposals for the Underwriters and for the Trustee. The Board of the Authority shall approve the final selections of Underwriters and the Trustee by subsequent resolution.

Section 3. AUTHORIZATION OF INDENTURE AND PURCHASE CONTRACT. The Chairman or Vice-Chairman (or with respect to the Purchase Contract, the chief executive officer) is hereby authorized to execute and deliver the Indenture and the Purchase Contract in the name and on behalf of the Authority, and the Secretary or any Assistant Secretary is hereby authorized to affix the corporate seal of the Authority to the Indenture and the Purchase Contract when so executed and to attest the same, the Indenture and the Purchase Contract to be in the forms as the officers of the Authority executing the same shall approve upon advice of counsel to the Authority, such approval to be conclusively evidenced by the execution thereof by such officers.

Section 4. FORM, TERMS AND EXECUTION OF THE 2011 BONDS. The 2011 Bonds shall be dated, issued in such aggregate principal amount in such authorized denominations, mature on such date or dates, bear interest at such fixed rate or rates payable on such date or dates, be in fully registered form without coupons, carry such registration, exchangeability and interchangeability privileges, be payable in such medium of payment and at such place or places, be subject to such terms of redemption and be entitled to such priorities of payment in the revenues and funds pledged therefor, as are herein authorized or as are set forth in the Purchase Contract and the Indenture. The form and terms of the 2011 Bonds shall be set forth in the Indenture. The execution of the 2011 Bonds by the manual or facsimile signature of the Chairman or Vice-Chairman of the Authority is hereby authorized, and the Secretary or any Assistant Secretary is hereby authorized to affix or imprint the corporate seal of the Authority (or a facsimile thereof) to the 2011 Bonds and to attest the same by his or her manual or facsimile signature. The Chairman or Vice-Chairman is hereby authorized to have the 2011 Bonds delivered to the Trustee for authentication and, when they have been authenticated, to deliver them or cause them to be delivered to the Underwriters pursuant to the Purchase Contract against receipt of the purchase price due thereunder (including accrued interest, if any) and to deposit the amount so received with the Trustee as provided in the Indenture.

Section 5. AUTHORIZATION OF THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT. The form of the Preliminary Official Statement shall be approved by Authority's chief financial officer and counsel to the Authority, and the distribution of the Preliminary Official Statement by the approved Underwriters in connection with the public offering and sale of the 2011 Bonds is hereby approved. The chief executive officer and/or chief financial officer is hereby authorized to certify to the Underwriters that the Preliminary Official Statement, as so approved, is deemed final within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. The Chairman or Vice-Chairman is hereby authorized to execute a final Official Statement in substantially the form of the Preliminary Official Statement but with such changes therein as are necessary or appropriate to reflect the final terms of the 2011 Bonds and such other changes from the Preliminary Official Statement as such officer may approve upon advice of counsel of the Authority, the authorization of such changes to be evidenced by the execution of the Official Statement by the Chairman or Vice-Chairman. The Official Statement is authorized to be distributed in connection with the public offering and sale of the 2011 Bonds.

Section 6. AUTHORIZATION OF CONTINUING DISCLOSURE AGREEMENT. The chief executive officer and/or chief financial officer is hereby authorized to execute a Continuing Disclosure Agreement for the 2011 Bonds issued, in a form approved by the chief financial officer and counsel of the Authority, such approval to be evidenced by the execution by the Authority thereof.

Section 7. AUTHENTICATION OF THE 2011 BONDS. Upon execution of the 2011 Bonds, the Trustee is hereby requested to authenticate the 2011 Bonds and to deliver them to the Underwriters upon the order of the Authority.

Section 8. APPOINTMENT OF BOND REGISTRAR AND PAYING AGENT. The Trustee is hereby appointed as the initial bond registrar and paying agent for the 2011 Bonds.

Section 9. ACTIONS TO COMPLETE THE PROJECT. The Chairman, Vice Chairman, chief executive officer and/or chief financial officer is hereby authorized to execute such documents as shall be necessary or in order to complete the Project, including but not limited to providing such notices and directions as are required to complete the refunding of the 2001 Bonds and the 2004 Note, and the termination of the Swap Agreement.

Section 10. BOND INSURANCE AND DEBT SERVICE RESERVE SURETY BOND. The chief executive officer and/or chief financial officer of the Authority is hereby authorized, on behalf of the Authority, to contract with a provider of municipal bond insurance for a municipal bond insurance policy to be issued to secure all or a portion of the 2011 Bonds and/or a debt service reserve fund surety bond if, in the judgment of Authority, based upon the advice of the Authority's financial advisors, such a municipal bond insurance policy is financially advantageous to the Authority.

Section 11. INCIDENTAL ACTION. The Chairman, Vice Chairman, chief executive officer, chief financial officer and/or such other persons within the Authority as may be necessary are hereby authorized to execute and deliver such other documents and instruments, including but not limited to, any tax certificates or agreements required to ensure compliance with the Internal Revenue Code of 1986, as amended, and the regulations thereunder, any representation letters with a securities depository required to make the 2011 Bonds eligible for a book-entry-only settlement and clearance system, and to take or approve the taking of such other action, as may be necessary or appropriate, and approved by the counsel of the Authority, in order to effectuate the purpose of this Resolution and the issuance and sale of the 2011 Bonds and the completion of the Project.

Section 12. BOND COUNSEL. The Board hereby confirms that the firm of Eckert Seamans Cherin & Mellott, LLC has been appointed to serve as bond counsel in connection with the issuance of the 2011 Bonds.

Section 13. EFFECTIVE DATE; REPEAL. This Resolution shall take effect immediately upon its adoption, and all prior resolutions or parts thereof inconsistent herewith are hereby repealed.

DULY ADOPTED THIS 24th day of November, 2010 by the Board of the Port Authority of Allegheny County, in lawful session duly assembled.

By: _____
(Assistant) Secretary