

SUMMARY OF RESOLUTION

Authorization to Enter into Exclusive Negotiations with The DASCO Companies, LLC

Port Authority of Allegheny County (Authority) is the owner of an approximately 6.43 acre parcel of property along Village Drive in the Municipality of Bethel Park, Allegheny County, commonly referred to as the South Hills Village Upper Lot (Property). Property is adjacent to the Authority's South Hills Village parking garage and light rail transit system.

Following solicitation of proposals for transit-oriented joint development of Property, Port Authority's Board authorized the Authority to enter into a long-term ground lease (Lease) with Bethel Park Medical Partners, L.P. (BPMP), a special purpose entity of Lauth Property Group, LLC, to develop an approximately 104,000 square foot medical/office complex on Property by resolution dated April 24, 2009. Lease, which had received the written concurrence of the Federal Transit Administration (FTA) due to the continuing federal interest in Property, was subsequently executed on July 9, 2009.

On July 16, 2010, BPMP notified the Authority that it no longer wanted to pursue the project and exercised its right to terminate Lease during the extended due diligence period in accordance with Paragraph 10 of Lease. In late 2010, The DASCO Companies, LLC, a Florida-based limited liability company (DASCO), expressed its interest in pursuing a lease with the Authority to pursue the development and construction of a transit-oriented joint development project similar to the one BPMP was pursuing on Property pursuant to Lease.

Relevant Authority Legal and Real Estate personnel have reviewed this request and believe it may be possible to negotiate and enter into such a lease agreement with DASCO to advance the project originally proposed by BPMP. Staff continues to believe that finalization of a new lease agreement and development of this project could provide a long-term income stream for the Authority and enhance usage of the Authority's adjacent parking garage and light rail transit system.

This resolution authorizes the chief executive officer and/or assistant general manager Legal and Corporate Services, to enter into exclusive negotiations with DASCO and/or its special purpose entity, Pittsburgh MOB Owners LLC, to finalize the material terms and conditions of a proposed lease that will be presented to the Board for final review and approval and to otherwise seek the written concurrence of FTA in advancing this new lease agreement and project.

RESOLUTION

WHEREAS, Port Authority of Allegheny County (Authority) is the owner of an approximately 6.43 acre parcel of property along Village Drive in the Municipality of Bethel Park, Allegheny County, commonly referred to as the South Hills Village Upper Lot (Property); and

WHEREAS, Property is adjacent to the Authority's South Hills Village parking garage and light rail transit system; and

WHEREAS, following solicitation of proposals for transit-oriented joint development of Property, Port Authority's Board authorized the Authority to enter into a long-term ground lease (Lease) with Bethel Park Medical Partners, L.P. (BPMP), a special purpose entity of Lauth Property Group, LLC, by resolution dated April 24, 2009; and

WHEREAS, Lease, which had received the written concurrence of the Federal Transit Administration (FTA) due to the continuing federal interest in Property, was subsequently executed on July 9, 2009; and

WHEREAS, on July 16, 2010, BPMP opted to exercise its right to terminate Lease during the extended due diligence period in accordance with Paragraph 10 of Lease; and

WHEREAS, in late 2010, The DASCO Companies, LLC, a Florida-based limited liability company (DASCO), expressed its interest in pursuing a lease with the Authority to pursue the development and construction of a transit-oriented joint development project similar to the one BPMP was pursuing on the Property pursuant to the Lease; and

WHEREAS, relevant Authority Legal and Real Estate personnel believe that DASCO's proposal is a viable one and that finalization of a new lease agreement and advancement of this project could provide a long-term income stream for the Authority and enhance usage of the Authority's adjacent parking garage and light rail transit system.

NOW, THEREFORE, BE IT RESOLVED, that the Authority's chief executive officer and/or assistant general manager Legal and Corporate Services, be, and they hereby are, authorized to enter into exclusive negotiations with DASCO and/or its special purpose entity, Pittsburgh MOB Owners LLC, for a period of six months from the date of this resolution, which time period can be extended at the discretion of the chief executive officer if deemed reasonable and advantageous to the Authority to do so, for the purpose

of finalizing the proposed terms and conditions of a lease for Property, in a form approved by counsel; and

RESOLVED FURTHER, that said proposed lease shall be subject to final review and approval by the Board and FTA written concurrence for transit-oriented joint development projects; and

RESOLVED FURTHER, that the Authority's chief executive officer and/or assistant general manager, Legal and Corporate Services, be, and they hereby are, authorized to take all other actions necessary to carry out the purpose and intent of this resolution, including, but not limited to, execution of a memorandum of understanding or other related documents to advance the development of this project and finalization of a new lease agreement.