

**WEST MIFFLIN SANITARY SEWER MUNICIPAL AUTHORITY RESOLUTION  
AUTHORIZING THE TERMINATION  
OF AN EXISTING QUALIFIED INTEREST RATE MANAGEMENT AGREEMENT  
AND APPROVING AN AMENDMENT TO AN INTEREST RATE MANAGEMENT PLAN  
AND AUTHORIZING A NEW  
QUALIFIED INTEREST RATE MANAGEMENT AGREEMENT PURSUANT THERETO  
ADOPTED OCTOBER 1, 2009,**

**APPROVING AN AMENDMENT TO THE INTEREST RATE MANAGEMENT PLAN; AUTHORIZING THE TERMINATION OF THE INTEREST RATE MANAGEMENT AGREEMENT RELATING TO ITS SEWER REVENUE BONDS, SERIES OF 1998; AUTHORIZING THE FORM OF INTEREST RATE MANAGEMENT AGREEMENT OR AGREEMENTS RELATING TO ITS SEWER REVENUE BONDS, REFUNDING SERIES OF 2009; RATIFYING THE AUTHORIZATION OF THE PROPER OFFICERS OF THE AUTHORITY TO EXECUTE AND DELIVER THE TERMINATION OF THE INTEREST RATE MANAGEMENT AGREEMENT RELATING TO ITS SEWER REVENUE BONDS, SERIES OF 1998 AND THE NEW INTEREST RATE MANAGEMENT AGREEMENT OR AGREEMENTS RELATING TO ITS SEWER REVENUE BONDS, REFUNDING SERIES OF 2009; AND THE COVENANTING TO PAY THE PERIODIC SCHEDULED PAYMENTS DUE FROM THE AUTHORITY UNDER THE INTEREST RATE MANAGEMENT AGREEMENT OR AGREEMENTS RELATING TO ITS SEWER REVENUE BONDS, REFUNDING SERIES OF 2009; RETAINING AN INDEPENDENT FINANCIAL ADVISOR; AND RATIFYING THE AUTHORIZATION OF THE EXECUTION AND DELIVERY OF OTHER NECESSARY DOCUMENTS AND THE TAKING OF OTHER NECESSARY ACTIONS IN CONNECTION WITH THE FOREGOING.**

WHEREAS, the Authority desires to appoint Municipal Government Investors Corporation ("mGIC") as its independent financial advisor (the "Financial Advisor"), and appoint H-T Capital Markets, a Division of Northeast Securities ("H-T Capital") as Swap Structuring Agent (the "Structuring Agent"), to evaluate whether or not to enter into a qualified interest rate management agreement or agreements with a selected counterparty or counterparties in order to better manage the Authority's interest costs relating to \$29,320,000 outstanding principal amount of its Sewer Revenue Bonds, Refunding Series of 2009, (the "Bonds"); said Financial Advisor has prepared an Amended Interest Rate Management Plan (the "Plan") in connection with the proposed qualified interest rate management agreement or agreements which sets forth an analysis of potential benefits and risks in connection therewith, the criteria and process for the selection of the counterparty or counterparties (singly or collectively, the "Counterparty"), and awarding the qualified interest rate management agreement or agreements (singly or collectively, the "Swap Agreement"); and

WHEREAS, the Plan proposes that the Authority enter into a confirmation or confirmations relating to the Swap Agreement and such other documents as shall be necessary or appropriate in connection therewith and the Authority has been advised by the Financial Advisor and Structuring Agent that it is in its best financial interest to enter into the Swap Agreement with a financial institution with a credit rating in one of the three highest rating categories of Moody's Investors Service or Standard & Poor's, without regard to qualifiers, numerical or otherwise (that meets the parameters set forth in the Plan, which Swap Agreement constitutes a Qualified Interest Rate Management Agreement; and

WHEREAS, the Authority has previously entered into a qualified interest rate management agreement with Wachovia Bank, National Association as Counterparty (the "Existing Counterparty"), pursuant to an ISDA Master Agreement, as supplemented by the Schedule and the Constant Maturity Swap Terms and Conditions and Confirmation thereto relating to its Sewer Revenue Bonds, Series of 1998 (the "CMS Swap Agreement"); and

WHEREAS, the Authority has refunded and defeased in their entirety the Authority's Sewer Revenue Bonds, Series of 1998 from proceeds of the Bonds and therefore desires to terminate the CMS Swap Agreement and enter into the Swap Agreement; and

WHEREAS, the Authority hereby ratifies the amendment to the Plan, which is attached hereto and made a part hereof as Appendix I, ratifies the authorization of the execution and delivery of the Swap Agreement and the Termination of the CMS Swap Agreement and such other documents as shall be necessary or appropriate in connection therewith.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE WEST MIFFLIN SANITARY SEWER MUNICIPAL AUTHORITY AS FOLLOWS:

1. Appointment of Financial Advisor; Adoption of the Interest Rate Management Plan. The Authority hereby reappoints mGIC as its Financial Advisor and H-T Capital Markets, as Structuring Agent and hereby adopts and approves the Amended Interest Rate Management Plan prepared and recommended by the Financial Advisor and Structuring Agent, subject to such modifications from time to time as the General Manager, Chairman of the Board of Directors, the Financial Advisor, Bond Counsel and Solicitor to the Authority shall approve. The Financial Advisor and Structuring Agent are hereby determined to be independent of the other parties to any transaction that may occur pursuant to the Amended Interest Rate Management Plan.

2. Selection of the Counterparty. The Financial Advisor is now authorized and

directed to negotiate with the Existing Counterparty in order to terminate the CMS Swap Agreement and with a Counterparty to enter into the Swap Agreement on the earliest date or dates as shall be practicable.

3. Authorization of the Swap Agreement and Termination of the CMS Swap Agreement. In order to manage interest rate risks or costs to the Authority relative to the Bonds, the proper officers of the Authority, as set forth in paragraph 4 below, hereby ratifies the authorization provided by the Authority's Resolution of October 1, 2009 to execute and deliver the Swap Agreement. The Swap Agreement is hereby ratified and approved: (i) the notional amount subject to the Swap Agreement shall not exceed the outstanding principal amount of the Bonds; (iii) the Agreement shall create, from the effective date of the Swap Agreement through the time interval as described in the Plan, a net obligation whereby the District receives a variable rate equal to a percentage of the three-month London Inter-Bank Offered Rate ("LIBOR") Index of no less than 65% plus a fixed rate of .30% and the District pays a variable rate equal to the SIFMA (Securities Industry and Financial Markets Association) Swap Index, in each case, multiplied by the notional amount of the Swap Agreement and, subsequent to said time interval, a net obligation whereby the District receives a variable rate equal to a percentage of the 5 year London Inter-Bank Offered Rate ("LIBOR") Index of 59.91% and the District pays a variable rate equal to the SIFMA (Securities Industry and Financial Markets Association) Swap Index, in each case, multiplied by the notional amount of the Swap Agreement through its final term ; (iv) both parties may be required to make certain additional payments to the extent required under the Swap Agreement, however, periodic scheduled payments payable by the Authority pursuant to the Swap Agreement shall be senior in right and priority of payment to termination payments which may become due under the Swap Agreement and; (v) the Authority shall enter into a Swap Agreement which consists of a single qualified interest rate management agreement which meets the parameters noted in the forgoing sections (i), (ii), (iii) and (iv) with a Counterparty or, if deemed in the Authority's best interests, more than one qualified interest rate management agreement provided that the net financial impact of qualified interest rate management agreements so entered into by the Authority meets the parameters noted in the forgoing sections (i), (ii), (iii) and (iv).

Further, the proper officers of the Authority, as set forth in paragraph 4 below, hereby ratifies the authorization provided by the Authority's Resolution of October 1, 2009 to execute and deliver any documents in connection with the Termination of the CMS Swap Agreement.

The Authority hereby determines that the Swap Agreement and the Termination of the CMS Swap Agreement is in the Authority's best financial interest and that it contains financial terms and conditions which the Authority has been advised by the Financial Advisor are fair and reasonable.

4. Execution and Delivery of Documents. The actions of the Chairman, Vice Chairman or Treasurer of the Authority is hereby ratified and they were authorized to execute

and deliver, in the name of the Authority and on its behalf, the following documents and to approve the final form and substance thereof, and any amendments or supplements thereto, and to approve the exact notional amount, term and interest rates under the Swap Agreement (subject to Paragraph 3 above), such approvals ratified and are conclusively evidenced by the execution thereof (including such amendments as may be required to assure compliance with the law), and the actions of the Secretary or Assistant Secretary/Treasurer are ratified and they are hereby authorized to affix to all of the following documents the seal of the Authority and to attest to the same, as necessary:

<![if !supportLists]>(a) <![endif]>The Swap Agreement;

<![if !supportLists]>(b) <![endif]>the Termination of the CMS Swap Agreement;  
and

- (b) Such other documents, agreements, instruments and certifications, as the executing officers determine to be reasonable and appropriate to provide for the above mentioned (a) and (b).

Copies of the foregoing documents, together with the other documents relating to the transactions authorized hereby, in final form as executed and delivered by the parties thereof, shall be filed in the official records of the Authority.

The actions of the General Manager of the Authority are hereby ratified and authorized to accept the final pricing of the Swap Agreement which shall be simultaneous with the Counterparty's agreement to terminate the CMS Swap Agreement subject to the requirements of Paragraph 3 and the action of the General Manager in connection therewith is ratified and the General Manager is further authorized to execute any documents evidencing such acceptance.

## 5. Payments Under the Swap Agreement

Payment obligations (except any termination payments) of the Authority under the Swap Agreement will be general obligations of the Authority. The Authority hereby covenants that it shall include the amount of scheduled payments (except any termination payments) due thereunder for each fiscal year in which such sums are payable in its budget for that year; shall appropriate such amounts from its general revenues to the payment of such scheduled payments; and shall duly and punctually pay or cause to be paid the scheduled payments (except any termination payments) on the dates and places and in the manner stated in the Swap Agreement according to the true intent and meaning thereof, and for such proper budgeting, appropriation and payment, the general unsecured, unenhanced obligation of the

Authority is hereby irrevocably pledged.

The Authority hereby covenants that it shall include any termination payment due under the Swap Agreement, for which revenues are not otherwise available in the fiscal year in which such termination payment is due, in its budget to be adopted for the fiscal year immediately following the fiscal year in which such termination payment is due, and that it shall appropriate and pay such termination payment from its general revenues promptly, when first available. Nonetheless, to the extent revenues are available for the payment, in whole or part, of a termination payment in the fiscal year in which such termination payment is due, the Authority shall pay such termination payment promptly from its general revenues.

The Authority covenants with the Counterparty, and proper officers of the Authority are hereby authorized and directed, to withdraw from the General Fund (or from the Sinking Fund hereinafter authorized) and pay to the Counterparty on or before the appropriate payment dates set forth in the Swap Agreement (or as and when otherwise due by its terms and in order to provide same-day, available funds for timely payment), amounts required to pay the periodic scheduled payments and any other amounts due and owing under the Swap Agreement.

In the event the Authority determines the same to be necessary or beneficial, and with the consent of the Counterparty or another qualified counterparty, the Authority hereby authorizes to be established, a Sinking Fund for the payment of the periodic scheduled payments and any other amounts due and owing under the Swap Agreement, with a paying agent, to be named, and further covenants to maintain such Sinking Fund until such obligations are paid in full. Proper officers of the Authority are hereby authorized and directed to contract with any such paying agent for its services in such capacity.

Exhibit 6A to Appendix I hereto sets forth the estimated periodic scheduled payments to be paid and received by the Authority pursuant to the Swap Agreement. Exhibit 7A to Appendix I hereto sets forth the maximum periodic scheduled payments to be paid by the Authority pursuant to the Agreements followed by Exhibit 7B entitled "Maximum Aggregate Net Debt Service" in Appendix I listing the maximum combined obligations of the Authority taking into account the periodic scheduled payments, not including any termination payments, due under the Swap Agreement together with the interest portion of the Bonds, assuming that the maximum interest rate on such Bonds is in effect.

6. Dating of Swap Agreement and Termination of the CMS Swap Agreement. The Swap Agreement and Termination of the CMS Swap Agreement and other documents are presently expected to be dated as of their date of execution within the next sixty (60) days. The Chairman, Vice Chairman, Treasurer and Secretary or Assistant Secretary/Treasurer (for attestation purposes) of the Board of Directors are hereby authorized to approve at a later date of execution should market conditions or other proper cause necessitate delay, such approval to be conclusively evidenced by the execution of the Swap Agreement and such other

documents by the Chairman, Vice Chairman or Treasurer and Secretary or Assistant Secretary/Treasurer (for attestation purposes) of the Board of Directors.

7. Binding Effect to Covenants and Agreements. All covenants, obligations and agreements of the Authority set forth in this Resolution, the Resolution adopted on October 1, 2009 and in the documents authorized hereby shall be deemed to be the covenants, obligations and agreements of the Authority to the fullest extent authorized or permitted by law, and all such covenants, obligations and agreements shall be binding upon the Authority and its successors from time to time and upon any board or body to which any powers or duties affecting the same shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Authority or the members thereof by the provisions of this Resolution or the documents authorized hereby shall be ratified, exercised or performed by such members, officers or other representatives of the Authority as may be required or permitted by law to exercise or perform the same. No covenant, obligation or agreement herein contained in any documents authorized hereby shall be deemed to be a covenant, obligation or agreement of any member, officer, agent or employee of the Authority in his or her individual capacity and neither the members of the Authority nor any officer executing the Swap Agreement or any other document authorized by this Resolution shall be liable personally thereunder or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

8. Counsel. Wayne D. Gerhold, Esq. is hereby appointed Bond Counsel with respect to the matters set forth in this Resolution and Adams & Foley, LLC and is hereby directed to represent the Authority's interests in these matters.

9. Further Action. Any member of the Authority is hereby authorized and directed to execute such further documents and do such further things as may be necessary or proper to carry out the intent and purpose of this Resolution or any document herein authorized.

10. Repeal of Inconsistent Resolutions. All prior resolutions or parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistency.

11. Resolution A Contract. This Resolution shall constitute a contract with the Counterparty.

12. 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 Resolution. All inconsistencies shall be resolved with recognition of, and in favor of, the rights of the Counterparty whose rights shall not be impaired.

13. Benefited Parties. Nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Authority, the Paying Agent for the Bonds, if any, and the Counterparty, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof; and all of the covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the Authority shall be for the sole and exclusive benefit of such persons.

14. Severability. If any one or more of the covenants or agreements provided in this Resolution on the part of the Authority to be performed shall for any reason be held to be illegal or invalid or otherwise contrary to law, then such covenant or covenants or agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements, but shall in no way otherwise affect the validity of this Resolution.

15. Counterparts. This Resolution 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.

16. Effective Date. This Resolution shall take effect immediately.

Adopted: October 1, 2009

WEST MIFFLIN SANITARY SEWER

MUNICIPAL AUTHORITY: Rich Babjak, Chairman

ATTEST:

Glenn Labosco, Secretary

Chairman

