

\$354,925,000
PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY
SPECIAL TAX REVENUE REFUNDING BONDS
(CITY OF PHILADELPHIA FUNDING PROGRAM)
SERIES OF 2009

Tax Compliance Certificate

This certificate, including the covenants set forth herein, deals with the use of the proceeds of the above-captioned issue of tax-exempt bonds (the "2009 Bonds") and related matters for purposes of the Internal Revenue Code of 1986 (the "Code").

1. The Authority. The 2009 Bonds are issued by the Pennsylvania Intergovernmental Cooperation Authority (the "Authority"). The Authority is a body corporate and politic created as a public authority and instrumentality of the Commonwealth of Pennsylvania pursuant to the Pennsylvania Intergovernmental Cooperation Authority Act for Cities of the First Class, 53 P.S. 12720.101 et seq. (the "Act").
2. Purpose of the Issue. The 2009 Bonds are issued to current refund the Authority's Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program), Series of 1999 (the "1999 Bonds"), to pay the cost of terminating certain derivative financial products (the "Swaption" and a related "Swap") that had been entered in anticipation of the refunding, and to pay the costs of issuing the 2009 Bonds. The purpose of the 2009 Bonds is to save costs of debt service including payments that would have had to be made on the Swap. The sources and uses of the proceeds of the 2009 Bonds are indicated on Exhibit A. These amounts do not exceed the amounts needed for the purposes of the 2009 Bonds.
3. Prior Bonds.
 - (a) The 1999 Bonds were issued to advance refund the issuer's Special Tax Revenue Bonds (City of Philadelphia Funding Program) Series of 1993 (the "1993 Bonds and together with 1999 Bonds, the "Prior Bonds"). The 1993 Bonds were issued to provide funds for intergovernmental grants (the "Grants") to the City of Philadelphia (the "City") to (i) pay the costs of certain capital projects to be undertaken by the City, (ii) pay the costs of certain capital improvements to the City's criminal justice and correctional facilities, and (iii) provide for the retirement of certain general obligation bonds of the City.
 - (b) There are no remaining proceeds of the Prior Bonds, other than those held in a reasonably required reserve fund, the Capital Project Fund or Grant Funds as described in the attached Certifications of the City.
 - (c) The Authority will redeem the 1999 Bonds on June 15, 2009.
 - (d) All facts certified by the Authority in respect of the 1999 Bonds and the 1993 Bonds in connection with their issuance and use of proceeds are true

as of the present date, and all expectations certified in respect of the Prior Bonds have been realized in all material respects.

4. Swaption and Swap. Pursuant to a transaction confirmation dated May 1, 2002, the Authority granted JPMorgan Chase Bank (“JPMCB”) an option (the “Swaption”) to enter an interest rate swap (the “Swap”) with the Authority effective June 15, 2009, on terms set forth in the confirmation. The confirmation provided for fixed-rate payments by the Authority essentially equal to the fixed rates payable on the 1999 Bonds from time to time, ranging from 5.1221% to 4.75%, in exchange for floating rate payments by JPMCB equal to 62% of one month LIBOR, on an amortizing notional amount equal to the principal amount of the 1999 outstanding each year from June 15, 2009 to maturity. The Swap was identified to the 2009 Bonds on the records of the Authority on an anticipatory basis on May 1, 2002, pursuant to Treas. Reg. § 1.148-4(h)(5). JPMCB gave proper notice of the exercise of the option. The Authority and JPMCB have agreed to terminate the Swap and the Swaption effective on or about June 15, 2009, for a termination fee that the Authority will pay from the proceeds of the 2009 Bonds on June 15, 2009.

5. Source of Payments and Security; the Indenture.
 - (a) The 2009 Bonds are limited obligations of the Authority and the principal of, redemption premium, if any, and interest on the 2009 Bonds are payable solely from (i) the revenues pledged and assigned by the Authority for such payment, including revenues received by the Authority from a one and one-half percent (1.5%) tax (the “Authority Tax”) imposed by the City, pursuant to the Act and an ordinance adopted by City Council and approved by the Mayor on June 12, 1991 (Bill No. 1437, effective July 1, 1991), exclusively for the purposes of the Authority, on the salaries, wages, commissions and other compensation earned by residents of the City and on net profits earned in business, professions and other activities conducted by residents of the City. The 2009 Bonds are issued pursuant to a trust indenture between the Authority and U.S. Bank National Association as trustee (the “Indenture”) and are secured on a parity with various other outstanding obligations of the Authority issued under the Indenture (together with the 2009 Bonds, the “Bonds”).
 - (b) The Authority Tax securing the 2009 Bonds and other Bonds is a generally applicable tax. Payment of the principal of or the interest or premium on the 2009 Bonds is not (i) secured by any interest in property used or to be used for a private business use or payments in respect of such property or (ii) to be derived from payments in respect of property or borrowed money used or to be used for a private business use.
 - (c) Payment of principal and interest with respect to the 2009 Bonds is not and will not be guaranteed (in whole or in part) by the United States (or

any agency or instrumentality thereof) directly or indirectly in a manner violating section 149(b) of the Code.

6. Revenue Fund. The Authority's revenues are deposited initially in a Revenue Fund under the Indenture. Amounts are transferred from the Revenue Fund to the Debt Service Fund in monthly installments to provide for payment of principal and interest on the Bonds. These amounts are treated as part of the Debt Service Fund pending the monthly transfers. Remaining amounts in the Revenue Fund are transferred in order to the Debt Service Reserve Fund to cure any deficiencies, to the counterparties of interest rate swaps and other derivative financial products related to the Bonds, to the trustee of any subordinated debt for payment of debt service, to the Authority for operating expenses, to the Rebate Fund, and to the City. The amounts transferred to the Debt Service Fund are reasonably expected to be sufficient to pay the principal and interest on the Bonds, and the remaining amounts in the Revenue Fund are not reasonably expected to be used or available for this purpose. The amounts in the Revenue Fund therefore are not treated as gross proceeds of the Bonds and accordingly are not subject to investment yield restriction or arbitrage rebate.
7. Debt Service Fund. Principal and interest on the 2009 Bonds are be payable from a Debt Service Fund under the Indenture. The Debt Service Fund will be used primarily to achieve a proper matching of revenues with debt service payments within each bond year and will be depleted at least once each bond year except for a reasonable carryover amount not to exceed the greater of the earnings on the fund for the immediately preceding bond year or 1/12th of debt service payments for such year. The Debt Service Fund therefore is a bona fide debt service fund with a 13-month temporary period for unrestricted investment and accordingly is not subject to investment yield restriction or arbitrage rebate.
8. Debt Service Reserve Fund.
 - (a) All Bonds issued under the Indenture, including the 2009 Bonds, are secured by a Debt Service Reserve Fund that is reasonably required to market the Bonds. The Debt Service Reserve Fund Requirement is equal to the maximum annual debt service on the Bonds but not more than the amount permitted by the Code for a reasonably required reserve fund. Amounts in the Debt Service Reserve Fund at any time in excess of the Debt Service Reserve Fund Requirement can be withdrawn and are not reasonably expected to be available to pay principal or interest on the Bonds. The Debt Service Reserve Fund is a reasonably required reserve fund and may be invested without yield restriction but is subject to arbitrage rebate.
 - (b) The Debt Service Reserve Fund includes investments purchased with proceeds of various series of Bonds, including the 1993 Bonds, in compliance with the size limitations for a reasonably required reserve fund at the time of the issuance of the respective Bonds. The Debt Service

Reserve Fund also includes a Municipal Bond Debt Service Reserve Fund Policy issued by Financial Guaranty Insurance Company and purchased with proceeds of the 1999 Bonds. No proceeds of the 2009 Bonds will be deposited in the Debt Service Reserve Fund.

- (c) The investments in the Debt Service Reserve Fund allocable to the proceeds of each series of Bonds will be subject to arbitrage rebate with respect to that series. Under the “transferred proceeds” rules of Treas. Reg. § 1.148-9, the proceeds of the 1993 Bonds transferred to the 1999 Bonds upon the retirement of the 1993 Bonds and will transfer to the 2009 Bonds upon the retirement of the 1999 Bonds.
9. Capital Projects Fund and Encumbered Funds Account. Proceeds of the Bonds to be disbursed in Grants to the City are held in a Capital Projects Fund under the Indenture and upon requisition by the Authority are transferred to an Encumbered Funds Account maintained by the Authority outside the Indenture until spent. Unspent proceeds in the Capital Projects Fund and the Encumbered Funds Account relate to capital projects of the City in accordance with the attached Certifications of the City. The Authority reasonably expects to continue to disburse these proceeds for governmental purposes. Amounts in the Capital Projects Fund and the Encumbered Funds Account that are allocable to the 2009 Bonds will be subject to investment yield restriction at the yield on the 2009 Bonds plus 0.125%. This yield restriction may be accomplished through yield reduction payments under Treas. Reg. § 1.148-5. Remaining arbitrage from these amounts is subject to arbitrage rebate at the yield on the 2009 Bonds.
 10. No Sinking Funds or Replacement Proceeds. There are no sinking funds (other than the bona fide debt service fund) reasonably expected to be used directly or indirectly to pay debt service on the 2009 Bonds. It is not reasonably expected that the term of the 2009 Bonds is longer than reasonably necessary for the purpose of the Bonds.
 11. Arbitrage Rebate. The Indenture establishes a Rebate Fund and requires the Authority to deposit amounts in the Rebate fund and make timely payments of rebate amounts in respect of the 2009 Bonds to the Internal Revenue Service. The Authority acknowledges that the first payment of arbitrage rebate in respect of the 2009 Bonds is due 60 days after June 15, 2014, and that the final payment of arbitrage rebate in respect of the 1999 Bonds is due 60 days after the present date.
 12. No Other Bonds in Same Issue. There are no other obligations heretofore issued or to be issued by or on behalf of the Authority which (i) are being sold at substantially the same time as the 2009 Bonds (i.e. less than 15 days apart); (ii) are being sold pursuant to the same plan of financing with the 2009 Bonds; and (iii) will be paid out of substantially the same source of funds (or have substantially the same claim to be paid out of substantially the same source of funds) as the 2009 Bonds.

13. Yield on the 2009 Bonds. The yield on the 2009 Bonds, as calculated by Goldman, Sachs & Co. as underwriters of the Bonds, based on their offering prices for the 2009 Bonds in accord with the Underwriters' Certificate attached to and incorporated herein, is 3.585044%. This yield does not include any amount in respect of the termination fee of the Swap or the Swaption or the premium received by the Authority upon granting the Swaption.
14. Certifications of the City. The undersigned has no information of facts inconsistent with the certifications of the City of Philadelphia attached hereto and incorporated herein.
15. Form 8038-G. The Authority agrees to cause a properly completed and executed Form 8038-G with respect to the issuance of the 2009 Bonds to be filed with the Internal Revenue Service not later than August 15, 2009.
16. Compliance with Code; Recordkeeping. The Authority will not make an investment or other use of the proceeds of the 2009 Bonds which would cause the 2009 Bonds to be "arbitrage bonds" as that term is defined in Section 148 of the Code, and all applicable Treasury Regulations promulgated with respect thereto, and that it will comply with the requirements of the Code and Treasury Regulations throughout the term of the 2009 Bonds. The Authority will not take any action, omit to take any action, or permit any other person to take any action or fail to take any action over which it has control, which action or inaction would cause the interest on the 2009 Bonds to be includable in the gross income of such holders for federal income tax purposes. The Authority will keep records of the investments or any other transaction allocable to the 2009 Bonds in such detail and character as to permit it calculate arbitrage rebate and demonstrate compliance with the requirements of the Code for continuing tax-exemption of the 2009 Bonds.

[Signature appears on the following page]

IN WITNESS WHEREOF, and intending to be legally bound, the undersigned duly authorized officer of the Pennsylvania Intergovernmental Cooperation Authority has caused this Tax Compliance Certificate to be executed this 15th day of June, 2009.

PENNSYLVANIA INTERGOVERNMENTAL
COOPERATION AUTHORITY

By: _____

A handwritten signature in purple ink, appearing to read "John R. ...", is written over a horizontal line.

Chairperson

\$354,925,000
PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY
SPECIAL TAX REVENUE REFUNDING BONDS
(CITY OF PHILADELPHIA FUNDING PROGRAM)
SERIES OF 2009

Tax Compliance Certificate

CERTIFICATIONS OF THE CITY

This certificate, including the covenants set forth herein, deals with the use of the proceeds of the above-captioned issue of tax-exempt bonds (the "2009 Bonds") and related matters for purposes of the Internal Revenue Code of 1986 (the "Code").

1. The Grants.
 - (a) The grants by the Pennsylvania Intergovernmental Cooperation Authority (the "Authority") from the proceeds of its Special Tax Revenue Bonds (City of Philadelphia Funding Program) Series of 1993 (the "Grants") have been fully applied in accordance with the terms of the Grants, except for \$6,200,000 which is being expended on Authority approved projects in accordance with the terms of the Grants.
 - (b) The property attributable to the Grants is owned by the City without any security interest or other special legal interest in the Authority.
 - (c) The City has not and will not provide any consideration for the Grants, and the City has no obligation (and is not subject to any condition) to directly or indirectly repay any amount to the Authority on account of the Grants.
 - (d) Neither the Authority nor the City is under the control of the other, either directly or indirectly or through any third party, and in accepting the Grants the City acted and is acting in its own behalf and not as agent of the Authority.
 - (e) The City is not liable, either directly or indirectly, for the payment of debt service on the Authority's Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program) Series of 2009 and is not liable, either directly or indirectly, for payment of debt service on any other obligations of the Authority. The Authority was not liable, either directly or

indirectly, for payment of debt service on the general obligation bonds of the City which the City retired with certain of the Grants.

- (f) The property attributable to the Grants has not and will not be used in any private business use within the meaning of section 141 of the Code, and no portion of the Grants has been used to make a private loan within the meaning of section 141 of the Code.

2. Compliance with Code. The City hereby covenants with the Authority that it shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the 2009 Bonds shall be excludable from the gross income of the recipients thereof for purposes of federal income taxation and that it will refrain from doing or performing any act or thing that will cause such interest not to be so excludable. The City hereby covenants with the Authority that it will not make any investment or other use of the proceeds (as that term is defined in section 148 of the Code and all applicable Treasury Regulations) of the 2009 Bonds in its custody or control (including investment control) which would cause the 2009 Bonds to be "arbitrage bonds" (as that term is defined in section 148 of the Code and all applicable regulations promulgated thereunder), and it will comply with the requirements of such Code section and applicable Treasury Regulations throughout the term of the 2009 Bonds.

3. Recordkeeping Obligation.

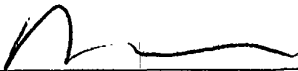
- (a) The City shall retain and provide to the Authority upon reasonable demand records of the investments made with respect to proceeds of the 1993 Bonds, the 1999 Bonds and the 2009 Bonds, if any, held in the City Capital Account or other accounts controlled by the City.

4. Private Loan Limitation. The City hereby covenants that not more than the lesser of \$5,000,000 or 5% of the net proceeds of the 1993 Bonds, the 1999 Bonds or the 2009 Bonds under the custody or control of the City have been or will be used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

[Signature appears on the following page]

IN WITNESS WHEREOF, and intending to be legally bound, the undersigned duly authorized officer of the City of Philadelphia, Pennsylvania, has caused this Tax Compliance Certificate to be executed this 15th day of June, 2009, in connection with the issuance by the Pennsylvania Intergovernmental Cooperation Authority of its Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program), Series of 2009.

CITY OF PHILADELPHIA, PENNSYLVANIA

By:  _____
Director of Finance

\$354,925,000
PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY
SPECIAL TAX REVENUE REFUNDING BONDS
(CITY OF PHILADELPHIA FUNDING PROGRAM)
SERIES OF 2009

Tax Compliance Certificate

CERTIFICATIONS OF THE UNDERWRITER

1. On June 10, 2009 (the "sale date"), we entered a binding written agreement to purchase the above bonds (the "Bonds") as underwriters and made a bona fide public offering of the Bonds at the initial public offering prices set forth for each maturity on the cover or inside cover page of the Official Statement for the Bonds dated the sale date (the "initial public offering prices").

2. As of the sale date, based on our assessment of then-current market conditions, we reasonably expected that the initial sales of at least 10% of each maturity of the Bonds would be to public purchasers at the initial public offering price for that maturity. For this purpose, public purchasers do not include bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers.

3. In our reasonable judgment, the initial public offering prices did not exceed the fair market values of the Bonds as of the sale date.

4. The debt service reserve fund for the Bonds is reasonably required to market the Bonds.

The undersigned duly authorized officer of Goldman, Sachs & Co. has caused this certificate to be executed this 15th day of June, 2009, in connection with the issuance by the Pennsylvania Intergovernmental Cooperation Authority of its Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program), Series of 2009.

GOLDMAN, SACHS & CO.

By: *Goldman Sachs & Co.*
Thomas X. Day
Managing Director