

LAW OFFICES

BALLARD SPAHR ANDREWS & INGERSOLL, LLP

1735 MARKET STREET, 51ST FLOOR
PHILADELPHIA, PENNSYLVANIA 19103-7599
215-665-8500
FAX: 215-864-8999
WWW.BALLARDSPAHR.COM

June 15, 2009

Pennsylvania Intergovernmental Cooperation
Authority
1500 Walnut Street
Suite 1600
Philadelphia, PA 19103

Goldman, Sachs & Co., as representative
of the Underwriters
85 Broad Street
New York, NY 10005

\$354,925,000 Pennsylvania Intergovernmental Cooperation Authority
Special Tax Revenue Refunding Bonds (City of Philadelphia Funding
Program), Series of 2009

Ladies and Gentlemen:

We have acted as Bond Counsel to the Pennsylvania Intergovernmental Cooperation Authority (the "Authority") in connection with the issuance and sale by the Authority of the above referenced bonds (the "2009 Bonds") pursuant to the Pennsylvania Intergovernmental Cooperation Authority Act for Cities of the First Class, approved June 5, 1991 (P.L. 9, No. 6), as amended (the "Act"), and an Amended and Restated Indenture of Trust dated as of December 1, 1994 (the "Amended and Restated Indenture"), between the Authority and U.S. Bank National Association, as successor trustee (the "Trustee"), as amended pursuant to the First Supplement to the Amended and Restated Indenture dated as of May 15, 1996 (the "First Supplement to the Amended and Restated Indenture"), the Second Supplement to the Amended and Restated Indenture dated as of April 1, 1999 (the "Second Supplement to the Amended and Restated Indenture"), the Third Supplement to the Amended and Restated Indenture dated as of June 1, 2003 (the "Third Supplement to the Amended and Restated Indenture"), the Fourth Supplement to the Amended and Restated Indenture dated as of June 1, 2006 (the "Fourth Supplement to the Amended and Restated Indenture"), the Fifth Supplement to the Amended and Restated Indenture dated as of May 1, 2008 (the "Fifth Supplement to the Amended and Restated Indenture") and the Sixth Supplement to the Amended and Restated Indenture dated as of June 1, 2009 (the "Sixth Supplement to the Amended and Restated Indenture," and together with the First Supplement to the Amended and Restated Indenture, the Second Supplement to the Amended and Restated Indenture, the Third Supplement to the Amended and Restated Indenture, the Fourth Supplement to the Amended and Restated Indenture, the Fifth Supplement to the Amended and Restated Indenture and the Amended and Restated Indenture, collectively, the "Indenture").

The 2009 Bonds are being issued for the purpose of providing funds which, together with other available moneys, will be used to: (i) currently refund the Authority's Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program), Series of 1999, outstanding in the aggregate principal amount of \$326,865,000 (the "1999 Bonds"), (ii) pay the costs of terminating an interest rate swap transaction which relates to the 2009 Bonds and (iii) pay the costs of issuing the 2009 Bonds (collectively, the "Refunding Project").

As expressly stated in the form of the 2009 Bonds and in the Indenture, the 2009 Bonds are limited obligations of the Authority payable solely from the Pledged Revenues (as defined in the Indenture). The 2009 Bonds do not otherwise constitute a pledge of the general credit of the Authority. Further, the 2009 Bonds do not constitute a pledge of the credit of the Commonwealth of Pennsylvania ("Commonwealth") or any political subdivision thereof, including the City of Philadelphia ("City"), nor do the 2009 Bonds constitute a pledge of the taxing power of the Commonwealth or any political subdivision thereof, including the City. The Authority has no taxing power. Neither the Commonwealth nor any political subdivision thereof (including the City) is liable for the payment of the principal of, redemption premium, if any, or interest on, the 2009 Bonds.

In our capacity as Bond Counsel, we have examined: (a) the relevant provisions of the Constitution of the Commonwealth; (b) the Act; (c) the proceedings of the Authority with respect to the authorization, issuance and sale of the 1999 Bonds and the 2009 Bonds, including, *inter alia*, the Resolution of the Authority adopted May 5, 2009 ("Resolution"); (d) certain statements, certifications, affidavits and other documents and matters of law which we have considered relevant, including, without limitation, a tax certification of officials of the Authority having responsibility for issuing the 2009 Bonds ("Tax Compliance Certificate"), given pursuant to the Internal Revenue Code of 1986, as amended ("Code"), an opinion of counsel to the Authority of even date herewith ("Authority Counsel's Opinion") and the other documents and instruments listed on the Closing Agenda filed with the Trustee, which are dated the date of original delivery of the 2009 Bonds. We have also examined a fully executed and authenticated 2009 Bond and assume that all of the 2009 Bonds are in such form and are similarly executed and authenticated.

In rendering the opinion set forth below, we have relied upon the authenticity, accuracy, truthfulness and completeness of all documents, records, certifications and other instruments examined including, without limitation, the authenticity of all signatures appearing thereon. We have also relied, in the opinion set forth below, upon the Authority Counsel's Opinion, as to the valid existence of the Authority and the due authorization, execution and delivery by the Authority of certain operative documents.

Except with respect to paragraph 6 below, our opinion is given only with respect to the laws of the Commonwealth of Pennsylvania as enacted and construed on the date hereof.

Based upon the foregoing, we are of the opinion that:

1. The Authority is a body corporate and politic validly existing under the laws of the Commonwealth with full power and authority to undertake the Refunding Project, to

execute and deliver the Sixth Supplement to the Amended and Restated Indenture and to issue the 2009 Bonds.

2. The Sixth Supplement to the Amended and Restated Indenture has been duly authorized, executed and delivered by the Authority and the obligations of the Authority thereunder are legal, valid, binding, and enforceable in accordance with their terms, except as may be affected by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws or legal or equitable principles affecting the enforcement of creditors' rights ("Creditors' Rights Limitations").

3. The 2009 Bonds have been duly authorized, executed, issued and delivered by, and are the legal, valid and binding limited obligations of, the Authority, entitled to the benefit and security of the Indenture and enforceable in accordance with their terms, except as may be affected by Creditors' Rights Limitations.

4. The Indenture creates a valid pledge to the Trustee for the benefit of the holders of the 2009 Bonds of, and a valid and binding security interest in, the Pledged Revenues (as defined in the Indenture), except as may be affected by Creditors' Rights Limitations.

5. Interest on the 2009 Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax and the 2009 Bonds are exempt from personal property taxes in the Commonwealth.

6. Under current law, interest on the 2009 Bonds (including original issue discount) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain defined corporations.

Original issue premium on a 2009 Bond issued at an issue price that exceeds its principal amount is amortizable periodically over the term of a 2009 Bond through reductions in the holder's tax basis for the 2009 Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortization of premium does not create a deductible expense or loss.

In rendering this opinion, we have assumed compliance by the Authority with the covenants contained in the Resolution, the Indenture and in the Tax Compliance Certificate that are intended to comply with the provisions of the Code relating to actions to be taken by the Authority in respect of the 2009 Bonds after the issuance thereof to the extent necessary to effect or maintain the federal tax-exempt status of the interest on the 2009 Bonds. These covenants relate to, *inter alia*, the use of proceeds of the 2009 Bonds and the rebating to the United States Treasury of specified arbitrage earnings, if required. Failure to comply with such covenants could result in the interest on the 2009 Bonds becoming includible in gross income for federal income tax purposes from their date of issuance.

Ownership of the 2009 Bonds may result in collateral federal income tax consequences to certain taxpayers. We express no opinion as to any collateral tax consequences, federal or state, as to which owners of the 2009 Bonds should consult their own tax advisors.

We express no opinion as to any matter not set forth in the numbered paragraphs herein including with respect to, and assume no responsibility for, the accuracy, adequacy or completeness of the Official Statement prepared in respect of the 2009 Bonds, and make no representation that we have independently verified the contents thereof. This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect changes in law which may occur or changes in facts or circumstances which may come to our attention hereafter.

Very truly yours,

 Andrew Angel, CFP