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Option On Interest Rate Swap Transaction

Date: 1 May 2002

The purpose of this document is to confirm the terms and conditions of the Option on an Interest Rate Swap Transaction entered into between:

JPMORGAN CHASE BANK – NEW YORK (“JPMorgan Chase”)

and

PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY (“Counterparty”)

on the Trade Date and identified by the JPMorgan Chase Deal Number specified below (the “Swap Transaction”). This agreement constitutes a “Confirmation” as referred to in the agreement specified below. It is our intention to have this confirmation serve as final documentation for this transaction and accordingly, no other confirmation will follow.

The definitions and provisions contained in the 2000 ISDA Definitions, incorporating the June 2000 version of the Annex as amended and supplemented through the date of this Confirmation, and the 1992 ISDA U.S. Municipal Counterparty Definitions (as published by the International Swaps and Derivatives Association, Inc.) are incorporated into this Confirmation (the “Swap Definitions”). In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

References in this Confirmation to “Transaction” shall be deemed to be references to “Swap Transaction” for the purposes of interpreting the Swap Definitions, and references in the Swap Definitions to “Swap Transaction” shall be deemed to be references to “Transaction” for the purposes of interpreting this Confirmation.

This Confirmation supplements, forms part of, and is subject to, the Master Agreement (including the Schedule and Credit Support Annex thereto) dated as of December 6, 2001, as amended and supplemented from time to time (the “Agreement”), between you and us. All provisions contained in the Agreement shall govern this Confirmation except as expressly modified below.

JPMorgan Chase Deal Number:	513503
Type Of Transaction:	Call – Buyer has the right to received fixed rate and pay floating rate, as referred to in the underlying swap transaction
Trade Date:	9 April 2002
Buyer:	JPMorgan Chase Bank
Seller:	Counterparty
Premium:	\$9,700,000 USD

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Premium Settlement Date: 1 May 2002, subject to adjustment in accordance with the Modified Following Business Day Convention, based on Business Days in London, New York

Procedures For Exercise:

Procedure for Exercise: JPMorgan Chase has the right to exercise this option by notifying Counterparty by phone (immediately followed by written notification) on the date and during the time of day specified below.

Option Style: American

Notification Date: Notice of Exercise must be given between the hours of 9:00AM and 11:00AM New York time at least 90 New York Calendar Days prior to each Exercise Date.

Exercise Date: On any local Business Day after 15 June 2009 up to and including 15 December 2022.

Physical Settlement: Applicable

1. The terms of the particular Swap Transaction to which this Option relates are as follows:

Effective Date: Exercise Date.

Termination Date: 15 June 2023

Fixed Amounts:

Fixed Rate Payer: Counterparty

Notional Amount: See Outstanding Principal Balance Schedule

Fixed Rate Payer Payment Dates: Each 15 December, 15 June starting with 15 December, June immediately following the Effective Date up to, and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.

Fixed Rate: See Fixed Rate Schedule

Fixed Rate Day Count Fraction: 30/360

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Calculation Period: Each period from, and including, one Payment Date to, but excluding, the next following Payment Date and there will be no adjustment to the Calculation Period.

Floating Amounts:

Floating Rate Payer: JPMorgan Chase Bank

Notional Amount: See Outstanding Principal Balance Schedule

Floating Rate Payer Payment Dates: Monthly on the 15th day of each calendar month starting with the calendar month immediately following the Effective Date up to, and including, the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.

Floating Rate Option : USD-LIBOR-BBA

Designated Maturity: 1 Month

Floating Amount: The Floating Rate used to calculate the Floating Amount payable by Morgan on each Payment Date will be equal to the rate determined in accordance with the specified Floating Rate Option and Designated Maturity, multiplied by 62 percent. For the avoidance of doubt, the Floating Amount payable by Morgan shall be calculated as follows.

Floating Amount = Notional Amount x (Floating Rate x 62 percent) x Day Count Fraction.

Spread: None

Floating Rate Day Count Fraction: Actual/Actual

Calculation Period: Each period from, and including, one Payment Date to, but excluding, the next following Payment Date, subject to adjustment in accordance with the Modified Following Business Day Convention.

Reset Day Each Thursday in the Calculation Period; there will be no adjustments to the Reset Date.

Averaging Applicable

Method of Averaging: Weighted.

Compounding: Inapplicable



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Payment Business Day Locations for Counterparty: London, New York

Payment Business Day Locations for JPMorgan Chase: London, New York

Calculation Agent: JPMorgan Chase, or as defined in the Master Agreement.

Payments will be: Net

Outstanding Principal Balance Schedule:

Accrual Start Date:	JPMorgan Chase pays on Outstanding Notional:		Counterparty pays on Outstanding Notional:	
15-Jun-2009	326,865,000.00	USD	326,865,000.00	USD
15-Jun-2010	301,495,000.00	USD	301,495,000.00	USD
15-Jun-2011	278,450,000.00	USD	278,450,000.00	USD
15-Jun-2012	254,215,000.00	USD	254,215,000.00	USD
15-Jun-2013	228,715,000.00	USD	228,715,000.00	USD
15-Jun-2014	201,900,000.00	USD	201,900,000.00	USD
15-Jun-2015	173,695,000.00	USD	173,695,000.00	USD
15-Jun-2016	144,035,000.00	USD	144,035,000.00	USD
15-Jun-2017	112,840,000.00	USD	112,840,000.00	USD
15-Jun-2018	89,130,000.00	USD	89,130,000.00	USD
15-Jun-2019	72,960,000.00	USD	72,960,000.00	USD
15-Jun-2020	56,020,000.00	USD	56,020,000.00	USD
15-Jun-2021	38,235,000.00	USD	38,235,000.00	USD
15-Jun-2022	19,560,000.00	USD	19,560,000.00	USD

Fixed Rate Schedule:

Beginning On:	Counterparty Fixed Rate Accrues At:
15-Jun-2009	5.12210%
15-Jun-2010	5.11130%
15-Jun-2011	5.09980%
15-Jun-2012	5.08550%
15-Jun-2013	5.06720%
15-Jun-2014	5.04290%
15-Jun-2015	5.00930%
15-Jun-2016	4.95970%
15-Jun-2017	4.87950%
15-Jun-2018	4.84740%
15-Jun-2019	4.86900%
15-Jun-2020	4.82940%
15-Jun-2021	4.75000%
15-Jun-2022	4.75000%



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This transaction may not be assigned by either party without the prior written consent of the other party.

2. Termination Option

As provided in paragraph (h)(i) of Part 1 of the Schedule dated December 6, 2001 between JP Morgan Chase Bank and the Counterparty, it is the intention of the parties that the Counterparty shall have the right to terminate the Transaction described in this Confirmation whether or not JP Morgan Chase Bank has exercised the option described in this Confirmation and whether or not the Effective Date with respect to such Transaction has occurred. In the event the Counterparty terminates the Transaction, the Termination Payment shall be determined pursuant to Part 1(g) of the Schedule to Master Agreement.

3. Account Details

Payments to JPMorgan Chase:

Account for payments in USD:	JPMorgan Chase Bank
Favour:	MGT New York
ABA/Bank No.:	021000238
Account No.:	999-97-979
Reference:	Ref: Interest Rate Protection Payment

If in the event this Transaction is physically exercised into a swap, the office of JPMorgan Chase Bank will change from New York to London

Swap Payment Instructions:	JPMorgan Chase Bank
Favour:	JPMorgan London
ABA/Bank No.:	ABA #:021000238
Account No.:	670-07-054
Reference:	Further credit to swap group account

Payments to Counterparty:

Account for payments in USD:	JPMorgan Chase Bank
Favour:	PENNSYLVANIA INTERGOVERNMENTAL COOPERATIVE AUTHORITY C/o First Union National Bank
ABA/Bank No.:	053000219
Account No.:	1556597839
Reference:	Trust Operations DDA 500000006439 Attention: Howard Parker 215-670-4541

4. Offices

- (a) The Office of JPMorgan Chase for the Swap Transaction is NEW YORK; and
- (b) The Office of the Counterparty for the Swap Transaction is PHILADELPHIA.



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All inquiries regarding confirmations should be sent to:

**JPMorgan Chase Bank
4 Metrotech Center
17th Floor
Brooklyn, New York 11245**

Attention:

Documentation Control

Telephone:

1-718-242-3100

Facsimile:

1-718-242-4809

Please quote the JPMorgan Chase Deal Number indicated above.

JP MORGAN SECURITIES INCORPORATED is acting solely as agent for JPMorgan Chase and will have no obligations under this Transaction.

5. Representations.

Each party hereto represents to the other as follows:

- (a) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisors as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of that Transaction.
- (b) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advise) , and understands and accepts, the terms, the conditions and risks of that Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.
- (c) **Status of Parties.** The other party is not acting as a fiduciary for or an advisor to it in respect of that Transaction.



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Please confirm that the foregoing correctly sets forth the terms of our agreement by executing a copy of this Confirmation and returning it to us or by sending to us a letter, telex or facsimile substantially similar to this letter, which letter, telex or facsimile sets forth the material terms of the Transaction to which this Confirmation relates and indicates agreement to those terms. When referring to this Confirmation, please indicate: JPMorgan Chase Deal Number: 513503.

Yours sincerely,

JPMORGAN CHASE BANK

By:
Name:
Title:

Cloris Liu
Assistant Treasurer
JPMorgan Chase Bank

Confirmed as of the
date first above written:

PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

By: _____
Name:
Title:

Your Ref No.....