

CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT (the "Disclosure Agreement") made as of June 15, 2006, by and between the PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY (the "Authority") and WACHOVIA BANK, NATIONAL ASSOCIATION, as successor trustee (the "Trustee").

WITNESSETH:

WHEREAS, pursuant to the Bond Purchase Contract dated June 14, 2006, between the Authority and RBC Dain Rauscher Inc., doing business under the trade name RBC Capital Markets (the "Underwriter"), the Authority is selling \$89,950,000 aggregate principal amount of its Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program), Series of 2006 (the "Bonds") to the Underwriter; and

WHEREAS, Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"), provides that a Participating Underwriter (as defined in the Rule) shall not purchase or sell municipal securities in connection with an Offering (as defined in the Rule) unless the Participating Underwriter has reasonably determined that an issuer of municipal securities, or an obligated person for whom financial or operating data is presented in the final official statement has undertaken, either individually or in combination with other issuers of such municipal securities or obligated persons, in a written agreement or contract for the benefit of holders of such securities, to provide, either directly or indirectly through an indenture trustee or a designated agent, certain specified financial information and operating data and notices of certain material events; and

WHEREAS, the Authority is the only obligated person with respect to the Bonds for purposes of the Rule; and

WHEREAS, in order to enable the Underwriter to comply with the requirements of the Rule, the Authority desires to undertake to provide the information and notices required by the Rule.

NOW, THEREFORE, in consideration of the premises, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. Definitions. In addition to the terms defined in the above recitals, the following terms shall have the meanings specified below:

"Annual Financial Information" shall mean the financial information to be provided annually containing the information specified in Schedule 1 hereto, as such schedule may be amended as provided herein.

"Insurer" shall mean Ambac Assurance Corporation.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

“NRMSIR” shall mean any nationally recognized municipal securities information repository within the meaning of the Rule. The names and addresses of the current NRMSIRs are listed on Schedule 2 hereto.

“Reportable Event” shall mean any of the events listed on Schedule 3 hereto with respect to the Bonds, if material.

“SID” shall mean the state information depository, if any, established for Pennsylvania for purposes of the Rule. As of the date hereof, there is no SID.

Section 2. Covenants of the Authority.

(a) The Authority covenants to comply with all requirements of the Rule.

(b) In furtherance of the foregoing, and without limiting the generality thereof, the Authority agrees to provide to each NRMSIR and to the SID, subject however to the provision in the next sentence, the Annual Financial Information within 180 days following the end of each fiscal year beginning with the fiscal year ending June 30, 2006, with a copy to the Trustee, and to provide, in a timely manner, to each NRMSIR, or to the MSRB, and to the SID notice of the occurrence of any Reportable Event. In the event that the Authority’s audited financial statements are not available within 180 days following the end of the applicable fiscal year, the Annual Financial Information will contain the Authority’s unaudited financial statements, and in such event, the Authority will provide the audited financial statements, as soon as such become available. The financial statements of the Authority to be delivered as part of the Annual Financial Information shall be prepared in accordance with generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board.

(c) In addition, the Authority covenants to provide notice in a timely manner to each NRMSIR, or to the MSRB, and to the SID of a failure by the Authority to provide the Annual Financial Information as and when specified in the preceding sentences. At the same time that the Authority provides any Annual Financial Information or any notice to a NRMSIR, the MSRB or the SID, the Authority shall provide a copy to the Trustee and the Insurer. Any filing with the MSRB shall be accompanied by the form annexed hereto as Exhibit A.

Section 3. Duties of Trustee.

(a) If within 15 days prior to the applicable date specified in Section 2 hereof, the Trustee has not received a copy of the applicable Annual Financial Information, the Trustee shall notify the Authority of such fact. The Trustee shall also notify the Authority promptly of the occurrence of any Reportable Event numbered 1, 3, 4, 5, 8, 9 or 10 on Schedule 3 hereto of which the Trustee’s Corporate Trust Administration has actual knowledge.

(b) The Trustee shall retain copies of all Annual Financial Information and notices of Reportable Events until all of the Bonds have been fully paid.

(c) The Trustee shall have no responsibility or liability in connection with the Authority’s filing obligations under this Disclosure Agreement. The Trustee shall have only

those duties specifically set forth in this Disclosure Agreement and the Authority agrees to indemnify and save the Trustee, its officers, directors, employees and agents, harmless against any loss, expense or liability arising out of the performance of its duties hereunder, excluding any loss, expense or liability due to the Trustee's gross negligence or willful misconduct.

Section 4. Termination of Reporting Obligations. The Authority's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Authority's obligations under the Indenture are assumed in full by some other entity, such other entity shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Authority and the Authority shall have no further responsibility hereunder. In addition, the Authority's obligation to provide information and notices as specified in Section 2 hereof shall terminate (i) at such other times as such information and notices (or any portion thereof) are no longer required to be provided by the Rule as it applies to the Bonds, (ii) in the event of a repeal or rescission of the Rule or (iii) upon a determination by a court of final jurisdiction that the Rule is invalid or unenforceable.

Section 5. Amendment. The Authority and the Trustee may amend this Disclosure Agreement and waive any of the provisions hereof, but no such amendment or waiver shall be executed and effective unless (i) the amendment or waiver is made in connection with a change in legal requirements, change in law or change in the identity, nature or status of the Authority or the governmental operations conducted by the Authority, (ii) this Disclosure Agreement, as modified by the amendment or waiver, would have been the written undertaking contemplated by the Rule at the time of original issuance of the Bonds, taking into account any amendments or interpretations of the Rule by the Securities and Exchange Commission, and (iii) the amendment or waiver does not materially impair the interests of the registered owners of the Bonds. Evidence of compliance with the foregoing conditions shall be satisfied by delivery to the Trustee of an opinion of counsel having recognized skill and experience in the issuance of municipal securities and federal securities law to the effect that the amendment or waiver satisfies the conditions set forth in the preceding sentence. Notice of any amendment or waiver shall be filed by the Authority with each NRMSIR, the SID, if any, and the MSRB, and shall be sent to the registered owners of the Bonds.

Section 6. Remedies for Default. In the event of a breach or default by the Authority of its covenants to provide Annual Financial Information and notices as provided in Section 2, the Trustee or any beneficial owner of Bonds shall have the right to bring an action in a court of competent jurisdiction to compel performance by the Authority. No monetary damages may be recovered under any circumstances for any breach or default by the Authority or the Trustee of their respective covenants hereunder. A breach or default under this Disclosure Agreement shall not constitute an event of default under the Indenture, the Bonds, or any other agreement. The Trustee shall be under no obligation to enforce this Disclosure Agreement unless (i) directed in writing by the registered owners of at least 25% of the outstanding principal amount of the Bonds and (ii) furnished with indemnity and security for expenses satisfactory to it.

Section 7. Miscellaneous.

(a) Binding Nature of Agreement. This Disclosure Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and

assigns. In addition, registered owners of the Bonds, which for the purposes of this Section 7 includes the holders of a book-entry credit evidencing an interest in the Bonds, from time to time shall be third party beneficiaries hereof and shall be entitled to enforce the provisions hereof as if they were parties hereto; but no consent of beneficial owners of the Bonds shall be required in connection with any amendment of this Disclosure Agreement, except as required by the Rule.

(b) Notices. All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

If to the Trustee:

Wachovia Bank, National Association
123 S. Broad Street, 11th Floor
Philadelphia, PA 19102
Attn: Corporate Trust Administration

If to the Authority:

Pennsylvania Intergovernmental
Cooperation Authority
1429 Walnut Street
Suite 1400
Philadelphia, PA 19102
Attn: Executive Director

If to MSRB:

Municipal Securities Rulemaking Board
1640 King Street
Suite 300
Alexandria, VA 22314-2719
Attn: CDI

If to a NRMSIR: to the respective addresses listed on Schedule 2.

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provision of this Section for the giving of notice.

(c) Central Post Office. Notwithstanding anything in this Disclosure Agreement to the contrary, the Authority reserves the right to forward any of the information described in Section 2 which would otherwise go to each NRMSIR and SID to such electronic filing systems and entities as are approved by the Securities and Exchange Commission (the "SEC") by interpretative letter or "no action" letter for receipt of this type of information in order for "participating underwriters" (as defined in the Rule) to be in compliance with the continuing disclosure requirements of the Rule (as used herein any such SEC approved filing entity is

referred to as a “Central Post Office.”) Filing of such information with a Central Post Office shall be in lieu of a filing with each NRMSIR and SID, if any, on the part of the Authority and shall relieve the Authority of such obligation. As of the date of this Disclosure Agreement, the only Central Post Office recognized by the SEC is DisclosureUSA whose website address is www.disclosureusa.org and whose address is c/o Municipal Advisory Council of Texas, 600 8th Street, Austin, Texas 78701; Fax: 512-476-6403.

(d) Execution in Counterparts. This Disclosure Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Disclosure Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

(e) Controlling Law. Except with respect to matters of validity and interpretation of the Rule, this Disclosure Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

(f) Beneficiaries. This Disclosure Agreement is entered into for the benefit of the registered owners from time to time of the Bonds. For the purposes of this Disclosure Agreement, for so long as the Bonds are registered in the name of Cede & Co. or its nominee, “registered owner” shall mean and include the holder of a book-entry credit evidencing an interest in the Bonds. Holders of book-entry credits may file their names and addresses with the Authority for the purposes of receiving notices or giving direction under the Disclosure Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

PENNSYLVANIA INTERGOVERNMENTAL
COOPERATION AUTHORITY

By: W. J. Roman
(Vice) Chairperson

WACHOVIA BANK, NATIONAL
ASSOCIATION, as Trustee

By: [Signature]
Authorized Signatory

SCHEDULE 1

Annual Financial Information

Pennsylvania Intergovernmental Cooperation Authority Audited Annual Financial Statements.

SCHEDULE 2

Nationally Recognized Municipal Securities Repositories

Bloomberg Municipal Repository
100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
Fax: (609) 279-5962
<http://www.bloomberg.com/markets/rates/municontacts.html>
Email: Munis@Bloomberg.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
Fax: (201) 947-0107
<http://www.dpcdata.com>
Email: nrmsir@dpcdata.com

FT Interactive Data
Attn: NRMSIR
100 William Street, 15th Floor
New York, NY 10038
Phone: 212-771-6999; 800-689-8466
Fax: 212-771-7390
<http://www.ftid.com>
Email: NRMSIR@interactivedata.com

Standard & Poor's Securities Evaluations, Inc.
55 Water Street
45th Floor
New York, NY 10041
Phone: (212) 438-4595
Fax: (212) 438-3975
www.jjkenny.com/jjkenny/pser_descrip_data_rep.html
Email: nrmsir_repository@sandp.com

SCHEDULE 3

Reportable Events With Respect to the Bonds

1. Principal and interest payment delinquencies
 2. Non-payment related defaults
 3. Unscheduled draws on debt service reserves reflecting financing difficulties
 4. Unscheduled draws on credit enhancements reflecting financial difficulties
 5. Substitution of credit or liquidity providers, or their failure to perform
 6. Adverse tax opinions or events affecting the tax exempt status of the Bonds
 7. Modifications to rights of holders of the Bonds
 8. Bond calls
 9. Defeasances
 10. Release, substitution or sale of property securing repayment of the Bonds
 11. Rating changes
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EXHIBIT A

MATERIAL EVENT NOTICE COVER SHEET

This cover sheet and material event notice should be sent to the Municipal Securities Rulemaking Board (or to all Nationally Recognized Municipal Securities Information Repositories), and the State Information Depository, if applicable, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: _____

Issuer's Six-Digit CUSIP Number(s): _____

or Nine-Digit CUSIP Number(s) to which this material event notice relates: _____

Number of Pages of attached material event notice: _____

Description of Material Events Notice (Check One):

1. Principal and interest payment delinquencies
2. Non-Payment related defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions or events affecting the tax-exempt status of the security
7. Modifications to rights of securities holders
8. Bond calls
9. Defeasances
10. Release, substitution, or sale of property securing repayment of the securities
11. Rating changes
12. Failure to provide annual financial information as required
13. Other material event notice (specify) _____

I hereby represent that I am authorized by the Issuer and/or other Obligated Person as an agent of either to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Employer: _____

Address: _____

City, State, Zip Code: _____

Voice Telephone Number: () _____

Please print the material event notice attached to this cover sheet in 10-point type or larger. The cover sheet and notice may be faxed to the MSRB at (703) 683-1930. Contact the MSRB at (202) 223-9503 with questions regarding this form or the dissemination of this notice.