

0.001 45  
0

FIRST SUPPLEMENT TO THE AMENDED AND  
RESTATED INDENTURE OF TRUST

between

PENNSYLVANIA INTERGOVERNMENTAL  
COOPERATION AUTHORITY

and

MERIDIAN BANK, as Trustee

Dated as of May 15, 1996

FIRST SUPPLEMENT TO THE AMENDED AND  
RESTATED INDENTURE OF TRUST

THIS FIRST SUPPLEMENT TO THE AMENDED AND RESTATED INDENTURE OF TRUST, dated as of May 15, 1996, between the PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY (the "Authority"), a body corporate and politic organized and existing as a public authority and instrumentality of the Commonwealth of Pennsylvania under and by virtue of the Constitution and laws of the Commonwealth of Pennsylvania, and MERIDIAN BANK, a bank and trust company organized and existing under the laws of the Commonwealth of Pennsylvania, as trustee (the "Trustee"),

W I T N E S S E T H:

WHEREAS, the Authority is authorized and empowered under the Pennsylvania Intergovernmental Cooperation Authority Act for Cities of the First Class (Act of June 5, 1991, P.L. 9, No. 6), as amended (as such Act may be further amended from time to time, the "Act"), to issue its bonds in accordance with the Act for various purposes, including, without limitation, providing financial assistance to a city of the first class to finance a deficit other than a cash flow deficit, to finance capital projects and to otherwise assist such a city and to refund outstanding indebtedness of the Authority; and

WHEREAS, the Authority and CoreStates Bank, N.A. as trustee (the "Initial Trustee") entered into an Indenture of Trust, dated as of June 1, 1992 (the "Original Indenture"), to provide for the issuance and securing of Bonds (as defined in the Original Indenture); and

WHEREAS, pursuant to the Original Indenture and at the request of the City of Philadelphia, Pennsylvania (the "City"), the Authority issued and sold \$474,555,000 aggregate principal amount of its Special Tax Revenue Bonds (City of Philadelphia Funding Program), Series of 1992 (the "1992 Bonds") for the purpose of financing certain deficits of the City, financing certain capital projects of the City, providing financial assistance to the City to enhance productivity in the operation of the City government, and for certain other purposes permitted under the Act; and

WHEREAS, the Authority and the Initial Trustee entered into a First Supplemental Indenture of Trust dated as of June 22, 1992 amending certain provisions of the Original Indenture (the Original Indenture as so amended is referred to herein as the "Amended Indenture"); and

WHEREAS, Meridian Bank succeeded the Initial Trustee as trustee under the Amended Indenture; and

WHEREAS, the Authority and the Trustee entered into a Second Supplemental Indenture of Trust dated as of July 15, 1993 (the "Second Supplemental Indenture") amending and supplementing the Amended Indenture (the Amended Indenture as so amended and supplement is referred to herein as the "Second Amended Indenture"); and

WHEREAS, pursuant to the Second Amended Indenture and at the request of the City, the Authority issued \$643,430,000 aggregate principal amount of its Special Tax Revenue Bonds (City of Philadelphia Funding Program), Series of 1993 (the "1993 Bonds") for the purpose of providing grants to the City to pay costs of certain capital projects included in the City's Fiscal Year 1994 Capital Budget, paying the costs of certain capital improvements to the City's criminal justice and correctional facilities and paying the costs of refunding certain of the City's general obligation bonds; and

WHEREAS, the Authority and the Trustee entered into a Third Supplemental Indenture of Trust dated as of August 15, 1993 (the "Third Supplemental Indenture") amending and supplementing the Second Amended Indenture (the Second Amended Indenture as so amended and supplemented is referred to herein as the "Third Amended Indenture"); and

WHEREAS, pursuant to the Third Amended Indenture, the Authority issued \$178,675,000 aggregate principal amount of its Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program), Series of 1993A (the "1993A Bonds") for the purpose of refunding \$136,670,000 aggregate principal amount of 1992 Bonds maturing on June 15 of the years 2006, 2012 and 2022; and

WHEREAS, the Authority amended and restated the Third Amended Indenture pursuant to an Amended and Restated Indenture of Trust dated as of December 1, 1994 (the "Amended and Restated Indenture") in order to, inter alia, incorporate in one document all of the provisions thereof (including changes in the schedules of capital projects to be funded with proceeds of the 1992 Bonds and the 1993 Bonds effected through substitution requests); and

WHEREAS, pursuant to the Amended and Restated Indenture, the Authority issued \$122,020,000 aggregate principal amount of its Special Tax Revenue Bonds (City of Philadelphia Funding Program), Series of 1994 (the "1994 Bonds") in order to pay costs of certain capital projects included in the City's Fiscal Year 1995 Capital Budget; and

WHEREAS, the Authority has undertaken to issue Additional Bonds to (i) pay the costs of advance refunding the outstanding 1992 Bonds and the 1994 Bonds, and (ii) pay the costs of issuing such Additional Bonds (the "1996 Refunding"); and

WHEREAS, by Resolution adopted on April 30, 1996, the Authority determined to issue and sell its Special Tax Revenue

Refunding Bonds (City of Philadelphia Funding Program), Series of 1996 (the "1996 Bonds") for the purpose of financing the 1996 Refunding pursuant to the terms of this First Supplement to the Amended and Restated Indenture (the "First Supplement to the Amended and Restated Indenture", and together with the Amended and Restated Indenture, the "Indenture"); and

WHEREAS, in order to accomplish the advance refunding of the outstanding 1992 Bonds and the 1994 Bonds, the Authority and the Trustee will enter into an Escrow Deposit Agreement (the "Escrow Deposit Agreement"), pursuant to which the Authority shall deposit in escrow with the Trustee, from the proceeds of the 1996 Bonds, an amount of cash which, when added to certain funds held by the Trustee for the benefit of the 1992 Bonds and the 1994 Bonds, and the investment earnings thereon, will be sufficient to (a) pay the maturing principal of and interest on the 1992 Bonds through and including June 15, 2002, and (b) pay the principal of and interest on the 1994 Bonds maturing on or prior to June 15, 2005 and to pay the redemption price of all outstanding 1994 Bonds, all of which will be called for redemption on June 15, 2005; and

WHEREAS, the execution and delivery of this First Supplement to the Amended and Restated Indenture and of the 1996 Bonds have been duly authorized and all things necessary to make the 1996 Bonds, when executed by the Authority and authenticated by the Trustee, valid and binding legal obligations of the Authority and to make this First Supplement to the Amended and Restated Indenture of Trust a valid and binding agreement have been done.

NOW, THEREFORE, THIS FIRST SUPPLEMENT TO THE AMENDED AND RESTATED INDENTURE WITNESSETH:

That, in order to secure the principal of and interest and premium, if any, on the 1996 Bonds issued hereunder according to their tenor and effect and to secure the performance and observance by the Authority of all the covenants and conditions contained herein and in the Amended and Restated Indenture and to declare the terms and conditions upon and subject to which the 1996 Bonds are issued and secured, and for and in consideration of the mutual covenants contained herein and in the Amended and Restated Indenture, the Authority and the Trustee are entering into this First Supplement to the Amended and Restated Indenture of Trust, which shall be deemed to be and shall constitute a contract between the Authority and the Holders from time to time of the 1996 Bonds.

ARTICLE I

AUTHORITY AND DEFINITIONS

Section 1.01 Supplemental Indenture of Trust. This First Supplement to the Amended and Restated Indenture is supplemental to the Amended and Restated Indenture.

Section 1.02 Authority for this First Supplement to the Amended and Restated Indenture. This First Supplement to the Amended and Restated Indenture is adopted (i) pursuant to the provisions of the Act and (ii) in accordance with Article X of the Amended and Restated Indenture.

Section 1.03 Definitions.

1. Except as provided in this First Supplement to the Amended and Restated Indenture, all terms which are defined in Article I of the Amended and Restated Indenture shall have the same meanings, respectively, in this First Supplement to the Amended and Restated Indenture as such terms are given in said Article I of the Amended and Restated Indenture.

2. Article I of the Amended and Restated Indenture is hereby amended by adding the following definitions:

The following terms shall have the definitions set forth in the recitals hereof:

Initial Trustee	Amended and Restated Indenture
1996 Bonds	1996 Refunding
First Supplement to the	Escrow Deposit Agreement
Amended and Restated Indenture	

"1996 Term Bonds" means the 1996 Bonds maturing on June 15, 2020.

3. Pursuant to the respective defined terms in the Amended and Restated Indenture, the terms "Bond Insurance Policy", "Bond Insurer", "Credit Facility", "Credit Facility Issuer", "Interest Payment Date", "Letter of Representations" and "Record Date" shall have the following meanings with respect to the 1996 Bonds:

"Bond Insurance Policy" means, with respect to the 1996 Bonds, the municipal bond new issue insurance policy issued by the Bond Insurer for the 1996 Bonds that guarantees payment of principal of and interest on the 1996 Bonds.

"Bond Insurer" means, with respect to the 1996 Bonds Financial Guaranty Insurance Company, or any successor thereto.

"Credit Facility" means, with respect to the account within the Debt Service Reserve Fund for the 1996 Bonds, the Municipal Bond Debt Service Reserve Fund Policy issued by the Credit Facility Issuer for the 1996 Bonds to fund the Debt Service Reserve Requirement for the 1996 Bonds.

"Credit Facility Issuer" means, with respect to the Credit Facility issued to fund the account within the Debt Service Reserve Fund for the 1996 Bonds, Financial Guaranty Insurance Company, or any successor thereto.

"Interest Payment Date" means, with respect to the 1996 Bonds, December 15, 1996 and each June 15 and December 15 thereafter so long as any 1996 Bonds remain outstanding hereunder.

"Letter of Representations" shall have the meaning specified in Section 2.04(b) of this First Supplement to the Amended and Restated Indenture when referring to the 1996 Bonds.

"Record Date" means, with respect to the 1996 Bonds, the last day (whether or not a Business Day) of the calendar month next preceding any Interest Payment Date or any redemption date.

4. The definition of the term "Investment Securities" is amended as follows:

Subsection (d) is amended and restated in its entirety as follows: "(d)(i) direct obligations of, or (ii) obligations the principal of and interest on which are unconditionally guaranteed by, any state of the United States of America or any political subdivision or agency thereof, other than the City, (or upon the approval of the Bond Insurer for the 1996 Bonds, the District of Columbia or the Commonwealth of Puerto Rico or any political subdivision or agency thereof), whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's and "A" or better by S&P;"

In the twelfth to last line of subsection (f), after the words "1993A Insured Bonds", delete the word "or" and replace it with ",", and after the words "1994 Bonds", add the words "or 1996 Bonds". In the third to last line in subsection (f), after the words "1993A Insured Bonds", delete the word "or" and replace it with ",", and after the words "1994 Bonds", add the words "or 1996 Bonds".

## ARTICLE II

### THE 1996 BONDS

Section 2.01 Authorization of 1996 Bonds. The 1996 Bonds are authorized to be issued in an aggregate principal amount of \$343,030,000.

Section 2.02 Description of 1996 Bonds.

(a) The 1996 Bonds (i) shall be designated "Pennsylvania Intergovernmental Cooperation Authority Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program), Series of 1996", (ii) shall be issued as fully registered bonds, and (iii) shall be in denominations of \$5,000 principal amount and integral multiples thereof.

(b) The 1996 Bonds shall be substantially in the form of Exhibit A hereto, with appropriate insertions, omissions and variations, including, without limitation, provisions for optional and mandatory redemption, as permitted or required by this First Supplement to the Amended and Restated Indenture, and appropriate statements of insurance.

(c) The 1996 Bonds shall be dated May 15, 1996. The principal of and interest on the 1996 Bonds shall be payable on the dates and the 1996 Bonds shall be subject to redemption in the manner and subject to the conditions stated herein and in the 1996 Bonds.

(d) The 1996 Bonds shall mature on the dates and in the amounts and shall bear interest at the annual rates set forth in Schedule 1 hereto, such interest to be payable on each December 15 and June 15, commencing December 15, 1996, until maturity or such later date as payment of the principal amount thereof shall have been made or provided for.

(e) All provisions of Article II of the Amended and Restated Indenture which are applicable to Bonds shall apply to the 1996 Bonds.

Section 2.03 Delivery of the 1996 Bonds and Disposition of Proceeds Thereof.

(a) Upon the execution and delivery of this First Supplement to the Amended and Restated Indenture, the Authority shall execute and deliver the 1996 Bonds to the Trustee and the Trustee shall authenticate the 1996 Bonds and deliver them to the initial purchaser or purchasers thereof as directed by the Authority in an order delivered by the Authority to the Trustee upon receipt of the proceeds of the 1996 Bonds. Proceeds from the sale of the 1996 Bonds shall be received by the Trustee and deposited in the Settlement Fund and shall then be disbursed and transferred from the Settlement Fund as follows:

(1) To an account in the Debt Service Fund to be established in respect of the 1996 Bonds, the accrued interest on the 1996 Bonds.

(2) To or upon the order of the Authority, the amount specified by the Authority at or after the closing for the issuance of the 1996 Bonds as the costs of issuance of the 1996 Bonds (including, without limitation, fees and expenses of bond counsel, consultants, the Trustee and the Trustee's counsel, the City's counsel and consultants, and the Authority's counsel in connection with the issuance of the 1996 Bonds, fees payable to any Credit Facility Issuer and Bond Insurer, printing costs payable by the Authority and rating agency fees).

(3) To the Trustee, to be deposited in the Escrow Fund, an amount equal to \$345,137,258.71, which will be applied in accordance with the terms of the Escrow Deposit Agreement.

Any amount remaining in the Settlement Fund after the foregoing disbursements and transfers shall be disbursed or transferred by the Trustee to the Debt Service Fund in respect of the 1996 Bonds.

(b) Accrued interest deposited in the account in the Debt Service Fund in respect of the 1996 Bonds shall be applied to pay interest on the 1996 Bonds on December 15, 1996.

(c) Pursuant to Section 5.09 of the Amended and Restated Indenture, there shall be delivered to the Trustee for deposit in a separate account of the Debt Service Reserve Fund in respect of the 1996 Bonds, a Credit Facility meeting the requirements of such Section in the amount of the Debt Service Reserve Requirement for the 1996 Bonds.

#### Section 2.04 Book Entry System for the 1996 Bonds.

(a) The 1996 Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the 1996 Bonds of each maturity, which 1996 Bonds shall be registered in the name of Philadep & Co., as nominee of Philadelphia Depository Trust Company ("PHILADEP"). Except as provided in paragraph (g) below, all of the 1996 Bonds shall be registered in the books kept by the Trustee in the name of Philadep & Co., as nominee of PHILADEP; provided that if PHILADEP shall request that the 1996 Bonds be registered in the name of a different nominee, the Trustee shall exchange all or any portion of the 1996 Bonds for an equal aggregate principal amount of 1996 Bonds registered in the name of such nominee or nominees of PHILADEP. No person other than PHILADEP or its nominee shall be entitled to receive from the Authority or the Trustee either a 1996 Bond or any other evidence of ownership of the 1996 Bonds, or any right to receive any payment in respect thereof unless



PHILADEP or its nominee shall transfer record ownership of all or any portion of the 1996 Bonds on the books kept by the Trustee, in connection with discontinuing the book entry system as provided in paragraph (g) below or otherwise.

(b) So long as the 1996 Bonds or any portion thereof are registered in the name of PHILADEP or any nominee thereof, all payments of the principal of or premium or interest on such 1996 Bonds shall be made to PHILADEP or its nominee in accordance with the Letter of Representations from the Authority to PHILADEP (the "Letter of Representations") on the dates provided for such payments under the Indenture. Each such payment to PHILADEP or its nominee shall be valid and effective to fully discharge all liability of the Authority or the Trustee with respect to the principal of and premium and interest on the 1996 Bonds to the extent of the sum or sums so paid.

(c) The Authority and the Trustee may treat PHILADEP (or its nominee) as the sole and exclusive owner of the 1996 Bonds registered in its name for the purposes of payment of the principal of or premium or interest on the 1996 Bonds, selecting the 1996 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Holders of 1996 Bonds under the Indenture, registering the transfer of 1996 Bonds, obtaining any consent or other action to be taken by Holders of 1996 Bonds and for all other purposes whatsoever; and neither the Authority nor the Trustee shall be affected by any Notice to the contrary. Neither the Authority nor the Trustee shall have any responsibility or obligation to any participant in PHILADEP, any person claiming a beneficial ownership interest in the 1996 Bonds under or through PHILADEP or any such participant, or any other person which is not shown on the Bond Register as being a Bondholder, with respect to (1) the 1996 Bonds; (2) the accuracy of any records maintained by PHILADEP or any such participant; (3) the payment by PHILADEP or any such participant of any amount in respect of the principal of or premium or interest on the 1996 Bonds; (4) any notice which is permitted or required to be given to Holders of 1996 Bonds under the Indenture; (5) the selection by PHILADEP or any such participant of any person to receive payment in the event of a partial redemption of the 1996 Bonds; or (6) any consent given or other action taken by PHILADEP as Holder of 1996 Bonds.

(d) So long as the 1996 Bonds or any portion thereof are registered in the name of PHILADEP or any nominee thereof, all notices required or permitted to be given to the Holders of 1996 Bonds under the Indenture shall be given to PHILADEP as provided in the Letter of Representations.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to the Indenture by the Trustee with respect to any consent or other action to be taken by Holders of 1996 Bonds, PHILADEP shall consider the date of receipt of notice requesting such consent or

other action as the record date for such consent or other action, provided that the Trustee may establish a special record date for such consent or other action. The Trustee shall give PHILADEP notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

(f) At or prior to settlement for the 1996 Bonds, the Authority and the Trustee shall execute or signify their approval of the Letter of Representations. Any successor Trustee shall, in its written acceptance of its duties under the Indenture, agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.

(g) The book entry system for registration of the ownership of the 1996 Bonds through PHILADEP shall be discontinued at any time that (1) PHILADEP determines to resign as securities depository for the 1996 Bonds and gives notice of such determination to the Authority and the Trustee or (2) the Authority determines that continuation of the system of book entry transfers through PHILADEP is not in the best interests of the Authority or the Holders of 1996 Bonds and gives notice of such determination to the Trustee and PHILADEP. In either of such events the Authority may appoint a successor securities depository; but if the Authority does not appoint a successor, the 1996 Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by PHILADEP, but without any liability on the part of the Authority or the Trustee for the accuracy of such designation. If a successor securities depository is appointed, this Section 2.04 shall be amended as necessary to reflect such succession and to incorporate provisions required by the successor.

### ARTICLE III

#### REDEMPTION/REVENUES AND FUNDS

Section 3.01 Optional Redemption. The 1996 Bonds maturing on and after June 15, 2007 are redeemable on and after June 15, 2006, in whole at any time, or in part at any time and from time to time in any order of maturity as specified by the Authority, in any principal amount within a maturity as specified by the Authority, and within a maturity as selected by the Trustee by lot. Any such redemption shall be made at 100% of the principal amount of the 1996 Bonds to be redeemed, plus accrued interest to the redemption date.

#### Section 3.02 Debt Service Fund.

(a) The Trustee shall establish as a part of the Debt Service Fund in respect of the 1996 Bonds a 1996 Bonds Sinking Fund Account (the "1996 Bonds Sinking Fund Account") for the retirement of certain of the 1996 Term Bonds. Moneys

deposited in the 1996 Bonds Sinking Fund Account shall be held by the Trustee for the sole benefit of the registered owners of 1996 Term Bonds specified below and shall be applied as hereafter provided.

The Trustee shall transfer moneys from the Debt Service Fund in respect of the 1996 Bonds to the 1996 Bonds Sinking Fund Account on June 15 of the years set forth below in the amount required to retire 1996 Term Bonds specified below in the following amounts through mandatory redemption, in direct order of maturity and within a maturity as chosen by the Trustee by lot, at the principal amount thereof plus accrued interest, or through purchase as hereinafter provided:

<u>1996 Term Bonds Maturing June 15, 2016</u>		<u>1996 Term Bonds Maturing June 15, 2020</u>	
<u>Year (June 15)</u>	<u>Amount</u>	<u>Year (June 15)</u>	<u>Amount</u>
2014	\$6,450,000	2017	\$7,575,000
2015	6,810,000	2018	7,990,000
2016*	7,180,000	2019	8,430,000
		2020*	8,895,000

\* Final Maturity

Prior to May 1 of each year in which 1996 Term Bonds are subject to mandatory redemption as described above, the Trustee, at the written direction of the Authority, may enter into contracts for the purchase from moneys to be deposited in the 1996 Bonds Sinking Fund Account of as many 1996 Term Bonds then subject to mandatory sinking fund redemption as can be purchased in the open market or pursuant to offers made at the time by the holders thereof, at prices not greater than the principal amount thereof specified in such written direction, together with accrued interest to the date of purchase (which accrued interest shall be paid from moneys in the Debt Service Fund in respect of the 1996 Bonds). Prior to May 15 of each year or such date as will permit the Trustee to mail the notice of redemption required under Section 3.02 of the Indenture, so long as any 1996 Term Bonds specified above shall remain Outstanding, the Trustee shall draw by lot, for redemption on June 15 of such year, a principal amount of 1996 Term Bonds as shall represent the difference between the principal amount of such 1996 Term Bonds fixed for redemption on such date as described above and the principal amount thereof which the Trustee shall have purchased or agreed to purchase during the immediately preceding period, as above provided.

Upon selection by lot of the particular 1996 Term Bonds to be redeemed, as above provided, the Trustee shall send a notice, in the name of the Authority, to the holders of such 1996 Term Bonds so drawn for redemption in the manner provided in Article III of the Indenture, and, upon presentation by the holders thereof, the Trustee shall pay the principal amount thereof out of moneys in the 1996 Bonds Sinking Fund Account and shall pay accrued interest due from moneys available therefor in the Debt Service Fund in respect of the 1996 Bonds.

If at any time all the 1996 Term Bonds eligible for redemption shall have been purchased, redeemed or paid, the Trustee shall make no further transfers to the 1996 Bonds Sinking Fund Account and shall transfer any balance then in such account to the Debt Service Fund in respect of the 1996 Bonds. Whenever 1996 Term Bonds are to be purchased out of the 1996 Bonds Sinking Fund Account, if the Authority shall notify the Trustee that the Authority wishes to arrange for such purchase, the Trustee shall comply with the Authority's arrangements provided they conform to the Indenture.

(b) (i) If, on the third day preceding any Interest Payment Date for the 1996 Bonds there is not on deposit with the Trustee sufficient moneys available to pay all principal of and interest on the 1996 Bonds due on such date, the Trustee shall immediately notify the Bond Insurer and State Street Bank and Trust Company, N.A., or its successor as the Fiscal Agent for the Bond Insurer of the amount of such deficiency. If, by said Interest Payment Date, the Authority has not provided the amount of such deficiency, the Trustee shall simultaneously make available to the Bond Insurer and to the Fiscal Agent the registration books for the 1996 Bonds maintained by the Trustee. In addition:

(A) The Trustee shall provide the Bond Insurer with a list of the Bondholders entitled to receive principal or interest payments from the Bond Insurer under the terms of the Bond Insurance Policy and shall make arrangements for the Bond Insurer and the Fiscal Agent (1) to mail checks or drafts to Bondholders entitled to receive full or partial interest payments from the Bond Insurer and (2) to pay principal of the 1996 Bonds surrendered to the Fiscal Agent by the Bondholders entitled to receive full or partial principal payments from the Bond Insurer; and

(B) The Trustee shall, at the time it makes the registration books available to the Bond Insurer pursuant to (A) above, notify Bondholders entitled to receive the payment of principal of or interest on the 1996 Bonds from the Bond Insurer (1) as to the fact of such entitlement, (2) that the Bond Insurer will remit to them all or part of the interest payments coming due subject to the terms of the Bond Insurance Policy, (3) that, except as provided in paragraph (ii) below, in the event that any Bondholder is entitled to receive full payment

of principal from the Bond Insurer, such Bondholder must tender his 1996 Bond with the instrument of transfer in the form provided on the 1996 Bond executed in the name of the Bond Insurer, and (4) that, except as provided in paragraph (ii) below, in the event that such Bondholder is entitled to receive partial payment of principal from the Bond Insurer, such Bondholder must tender his 1996 Bond for payment first to the Trustee, which shall note on such 1996 Bond the portion of principal paid by the Trustee, and then, with an acceptable form of assignment executed in the name of the Bond Insurer, to the Fiscal Agent, which will then pay the unpaid portion of principal to the Bondholder subject to the terms of the Bond Insurance Policy.

(ii) In the event that the Trustee has notice that any payment of principal of or interest on a 1996 Bond has been recovered from a Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall, at the time it provides notice to the Bond Insurer, notify all Bondholders of such 1996 Bonds that in the event that any Bondholder's payment is so recovered, such Bondholder will be entitled to payment from the Bond Insurer to the extent of such recovery, and the Trustee shall furnish to the Bond Insurer its records evidencing the payments of principal of and interest on the 1996 Bonds which have been made by the Trustee and subsequently recovered from Bondholders, and the dates on which such payments were made.

(iii) The Bond Insurer shall, to the extent it makes payment of principal of or interest on the 1996 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy and, to evidence such subrogation, (1) in the case of subrogation as to claims for past due interest, the Trustee shall note the Bond Insurer's rights as subrogee on the registration books maintained by the Trustee upon receipt from the Bond Insurer of proof of the payment of interest thereon to the Bondholders of such 1996 Bonds and (2) in the case of subrogation as to claims for past due principal, the Trustee shall note the Bond Insurer's rights as subrogee on the registration books for the 1996 Bonds maintained by the Trustee upon receipt of proof of the payment of principal thereof to the Bondholders of such 1996 Bonds. Notwithstanding anything in the Indenture (including, without limitation, Section 2.04 of this First Supplement to the Amended and Restated Indenture) or the 1996 Bonds to the contrary, the Trustee shall make payment of such past due interest and past due principal directly to the Bond Insurer to the extent that the Bond Insurer is a subrogee with respect thereto.

Section 3.03 Credit Facility for the Debt Service Reserve Fund for the 1996 Bonds.

The Credit Facility will be issued by the Credit Facility Issuer in lieu of a deposit in the Debt Service Reserve Fund at the time of the issuance of the 1996 Bonds. The Credit Facility shall be payable (upon the giving of notice by the Trustee to the Credit Facility Issuer in accordance with the terms of the Credit Facility at least two business days prior to each Interest Payment Date) on any date on which moneys are required to be withdrawn from the Debt Service Reserve Fund for the 1996 Bonds and applied to the payment of principal of or interest on the 1996 Bonds. If a disbursement is made pursuant to the Credit Facility, the Credit Facility Issuer shall furnish to the Authority written instructions as to the manner in which repayment of amounts owed to the Credit Facility Issuer as a result of such disbursement shall be made.

In the event of any such disbursement, the Authority shall either (i) cause the maximum limits of the Credit Facility to be reinstated or (ii) deposit into the account within the Debt Service Reserve Fund for the 1996 Bonds an amount, from transfers from the Revenue Fund pursuant to Section 5.05 of the Indenture, equal to the amount of the draw made under the Credit Facility, or a combination of (i) and (ii), so that the amount of cash (or permitted investments under the Indenture), together with the Credit Facility in the Debt Service Reserve Fund for the 1996 Bonds equals the Debt Service Reserve Requirement for the 1996 Bonds.

Repayment of draws under the Credit Facility, expenses of the Credit Facility Issuer relating thereto and the interest thereon, accruing at a rate equal to the lower of (i) the prime rate per annum of Morgan Guaranty Trust Company of New York in effect from time to time plus two percent (2%) and (ii) the highest rate permitted by law (such draws, expenses and interest are collectively referred to as the "Policy Costs"). Amounts paid to the Credit Facility Issuer shall be credited first to interest due under the Credit Facility, then to the expenses due under the Credit Facility and then to reimbursement of the draws under the Credit Facility. As and to the extent that payments are made to the Credit Facility Issuer on account of reimbursement of any draws under the Credit Facility, the coverage under the Credit Facility will be increased by a like amount.

If the Authority shall fail to repay any Policy Costs as described above, the Credit Facility Issuer shall be entitled to exercise any and all remedies available at law or under the Indenture other than (i) acceleration of the maturity of the 1996 Bonds, or (ii) remedies which would adversely affect holders of the 1996 Bonds.

If and to the extent that cash has also been deposited in the Debt Service Reserve Fund for the 1996 Bonds, all such cash shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any draw under the Credit Facility, and repayment of any Policy Costs shall be made prior to replenishment of any such cash amounts. If, in addition to the Credit Facility, any other reserve fund substitute instrument is provided with respect to the 1996 Bonds, drawings under the Credit Facility and any such other reserve fund substitute instruments, shall be made on a pro rata basis (calculated by reference to the maximum amounts available thereunder) after applying all available cash in the Debt Service Reserve Fund for the 1996 Bonds and prior to replenishment of any such cash draws, respectively.

For so long as the Credit Facility is in effect (a) the Indenture shall not be modified or amended without the prior written consent of the Credit Facility Issuer, (b) the Credit Facility Issuer shall be provided with written notice of the resignation or removal of the Trustee and the appointment of a successor thereto and of the issuance of additional indebtedness of the Authority, and (c) the Indenture shall not be discharged if any Policy Costs are owed by the Authority to the Credit Facility Issuer.

For so long as the Credit Facility for the 1996 Bonds on account of the Debt Service Reserve Fund is in effect, the amount available to be drawn thereunder shall be taken into account when computing the value of the assets in such account for purposes of determining whether the Debt Service Reserve Requirement for the 1996 Bonds is satisfied.

#### ARTICLE IV

##### AMENDMENT OF INDENTURE

Section 4.01 Amendment of Section 2.11. Section 2.11 of the Amended and Restated Indenture is amended as follows:

In the eighth line of subsection 2.11(f) after the words "1993A Bonds", delete with word "and" and replace it with ",". In the ninth line of subsection 2.11(f), after the words "1994 Bonds", add the words "and the 1996 Bonds". In the nineteenth line of subsection 2.11(f), after the word "Requirement", add the words "(including the Authority's obligations with respect to repayment of Policy Costs then due and owing with respect to the Credit Facility issued in connection with the Debt Service Reserve Fund for the 1996 Bonds)".

Add a new subsection 2.11(g) which shall read in its entirety as follows:

"(g) In the event that any Policy Costs are past due and owing to a Credit Facility Issuer, the written consent of such Credit Facility Issuer".

Section 4.02 Amendment of Section 4.12. Section 4.12 of the Amended and Restated Indenture is amended as follows:

In the fourth line of subsection 4.12(b), after the words "1993A Bonds", delete the word "or" and replace it with ",", and after the words "1994 Bonds", add the words "or the 1996 Bonds". In the third line of subsection 4.12(d), after the words "1993A Bonds", delete the word "and" and replace it with ",", and after the words "1994 Bonds", add the words "and the 1996 Bonds".

Section 4.03 Amendment of Section 5.04. Section 5.04 of the Amended and Restated Indenture is amended by adding a new subsection (f) which reads in its entirety as follows:

"(f) The fees and costs for any opinion of Bond Counsel required to be given pursuant to paragraphs (a) or (c) of this Section 5.04 or any other costs incurred by the Authority in connection with a revision of Schedule 5, 6 or 7 shall be a proper charge against such account within the Capital Projects Fund as the Authority may designate and shall be paid therefrom."

Section 4.04 Amendment of Section 5.07. Subsection 5.07 of the Amended and Restated Indenture is amended as follows:

In the eighth line of the first paragraph of Section 5.07, after the word "Insurer", add the words "for such Series of Bonds". In the tenth line of the first paragraph of Section 5.07 after the word "Insurer", add the words "for such Series of Bonds".

In the sixth line of subsection 5.07(b), after the words "1993A Bonds", delete the word "and" and replace it with ",", and after the words "1994 Bonds", add the words "and the 1996 Bonds".

Section 4.05 Amendment of Section 5.10. Section 5.10 of the Amended and Restated Indenture is amended as follows:

In the first line of subsection 5.10 (b), delete the word "30" and replace it with the word "45".

Section 4.06 Amendment of Section 6.01. Section 6.01 of the Amended and Restated Indenture is amended as follows:

In the second to last line of the first paragraph of Section 6.01, after the words "1993A Bonds", delete the word "and" and replace it with ",". In the last line of the first paragraph of Section 6.01, after the word "Bonds", add the words "and the 1996 Bonds".



