



**Ambac Assurance Corporation**  
One State Street Plaza  
New York, NY 10004  
212.668.0340

*A member of the Ambac Financial Group, Inc.*

June 16, 2003

Pennsylvania Intergovernmental  
Cooperation Authority  
1429 Walnut Street  
Philadelphia, PA 19102

Hopkins & Company  
338 South 17<sup>th</sup> Street  
Philadelphia, PA 19103

Dilworth Paxson LLP  
1735 Market Street  
Philadelphia, PA 19103

Wachovia Bank, National Association  
123 South Broad Street  
Philadelphia, PA 19109

Penn Capital Advisors  
2547 Yellow Springs Road  
Malvern, PA 19355

Raymond James & Associates, Inc.  
880 Carillon Parkway  
St. Petersburg, FL 33716

Klett Rooney Lieber & Schorling,  
A Professional Corporation  
Two Logan Square  
Philadelphia, PA 19103

Ladies and Gentlemen:

This opinion has been requested of the undersigned, Managing Director and General Counsel, Public Finance of Ambac Assurance Corporation, a Wisconsin stock insurance corporation ("Ambac Assurance"), in connection with the issuance by Ambac Assurance of a certain Financial Guaranty Insurance Policy and Endorsement thereto, effective as of the date hereof (the "Policy"), insuring \$165,550,000 in aggregate principal amount of Pennsylvania Intergovernmental Cooperation Authority (the "Obligor"), Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program) Series of 2003, dated June 16, 2003 (the "Obligations").

In connection with my opinion herein, I have examined the Policy, such statutes, documents and proceedings as I have considered necessary or appropriate under the circumstances to render the following opinion, including, without limiting the generality of the foregoing, certain statements contained in the Official Statement of the Obligor dated June 12, 2003 relating to the Obligations (the "Official Statement") under the headings "BOND INSURANCE" and "APPENDIX E - SPECIMEN COPY OF FINANCIAL GUARANTY INSURANCE POLICY".

Based upon the foregoing and having regard to legal considerations I deem relevant, I am of the opinion that:

1. Ambac Assurance is a stock insurance corporation duly organized and validly existing under the laws of the State of Wisconsin and duly qualified to conduct an insurance business in the Commonwealth of Pennsylvania.
2. Ambac Assurance has full corporate power and authority to execute and deliver the Policy and the Policy has been duly authorized, executed and delivered by Ambac Assurance and constitutes a legal, valid and binding obligation of Ambac Assurance enforceable in accordance with its terms except to the extent that the

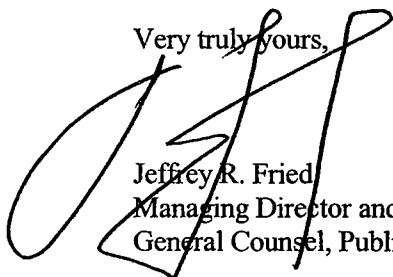


enforceability (but not the validity) of such obligation may be limited by any applicable bankruptcy, insolvency, liquidation, rehabilitation or other similar law or enactment now or hereafter enacted affecting the enforcement of creditors' rights.

3. The execution and delivery by Ambac Assurance of the Policy will not, and the consummation of the transactions contemplated thereby and the satisfaction of the terms thereof will not, conflict with or result in a breach of any of the terms, conditions or provisions of the Certificate of Authority, Articles of Incorporation or By-Laws of Ambac Assurance, or any restriction contained in any contract, agreement or instrument to which Ambac Assurance is a party or by which it is bound or constitute a default under any of the foregoing.
4. Proceedings legally required for the issuance of the Policy have been taken by Ambac Assurance and licenses, orders, consents or other authorizations or approvals of any governmental boards or bodies legally required for the enforceability of the Policy have been obtained; any proceedings not taken and any licenses, authorizations or approvals not obtained are not material to the enforceability of the Policy.
5. The statements contained in the Official Statement under the heading "BOND INSURANCE", insofar as such statements constitute summaries of the matters referred to therein, accurately reflect and fairly present the information purported to be shown and, insofar as such statements describe Ambac Financial Group, Inc. and Ambac Assurance, fairly and accurately describe Ambac Financial Group, Inc. and Ambac Assurance.
6. The form of Policy contained in the Official Statement under the heading "APPENDIX E - SPECIMEN COPY OF FINANCIAL GUARANTY INSURANCE POLICY" is a true and complete copy of the form of Policy.

The opinions expressed herein are solely for your benefit, and may not be relied upon by any other person.

Very truly yours,



Jeffrey R. Fried  
Managing Director and  
General Counsel, Public Finance

/kd  
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