



**Pennsylvania Intergovernmental
Cooperation Authority**

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June 15, 2009

The Honorable Rob McCord
Treasurer of the Commonwealth of Pennsylvania
Office of the State Treasurer
129 Finance Building
Harrisburg, PA 17120

Dear Mr. McCord:

On June 16, 1992, the Pennsylvania Intergovernmental Cooperation Authority (the "Authority") issued \$474,555,000 aggregate principal amount of its Special Tax Revenue Bonds (City of Philadelphia Funding Program), Series of 1992 (the "1992 Bonds") pursuant to the provisions of the Pennsylvania Intergovernmental Cooperation Authority Act for Cities of the First Class (Act No. 6 of June 5, 1991) (as such act has been or may be amended from time to time, the "Act") and an Indenture of Trust dated as of June 1, 1992 (the "Original Indenture") between the Authority and CoreStates Bank, N.A., as trustee.

The Original Indenture was amended and supplemented by a First Supplemental Indenture of Trust dated as of June 22, 1992 and a Second Supplemental Indenture of Trust dated as of July 15, 1993 (the Original Indenture, as so amended and supplemented, is referred to herein as the "Amended Indenture").

On July 29, 1993, 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") pursuant to the Act and the Amended Indenture. On September 14, 1993, 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") pursuant to the Act and the Amended Indenture, as amended and supplemented by a Third Supplemental Indenture of Trust dated as of August 15, 1993. On December 15, 1994, 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") pursuant to the Act and the Amended and Restated Indenture of Trust, dated as of December 1, 1994 (the "Amended and Restated Indenture"), between the Authority and

Meridian Bank (successor to CoreStates Bank, N.A.), as Trustee, which amended and restated the Original Indenture as theretofore amended.

On May 30, 1996, the Authority issued \$343,030,000 aggregate principal amount of its Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program), Series of 1996 (the "1996 Bonds") pursuant to the Amended and Restated Indenture, as amended and supplemented by a First Supplement to the Amended and Restated Indenture of Trust dated as of May 15, 1996 (the "First Supplement to the Amended and Restated Indenture") between the Authority and Meridian Bank, N.A., as Trustee. On April 15, 1999, the Authority issued \$610,005,000 aggregate principal amount of its Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program), Series of 1999 (the "1999 Bonds") pursuant to the Amended and Restated Indenture, as amended and supplemented by a Second Supplement to the Amended and Restated Indenture of Trust dated as of April 1, 1999 (the "Second Supplement to the Amended and Restated Indenture") between the Authority and First Union National Bank (successor to Meridian Bank), as Trustee. On June 16, 2003, the Authority issued \$165,895,000 aggregate principal amount of its Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program), Series of 2003 (the "2003 Bonds") pursuant to the Amended and Restated Indenture, as amended and supplemented by a Third Supplement to the Amended and Restated Indenture of Trust dated as of June 1, 2003 (the "Third Supplement to the Amended and Restated Indenture") between the Authority and Wachovia Bank, National Association (successor to First Union National Bank), as Trustee. On June 15, 2006, the Authority issued \$89,950,000 aggregate principal amount of its Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program), Series of 2006 (Action Rate Securities) (the "2006 Bonds") pursuant to the Amended and Restated Indenture, as amended and supplemented by a Fourth Supplement to the Amended and Restated Indenture of Trust dated as of June 1, 2006 (the "Fourth Supplement to the Amended and Restated Indenture") between the Authority and Wachovia Bank, National Association, as Trustee.

On May 15, 2008, the Authority issued \$214,565,000 aggregate principal amount of its Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program), Series of 2008 (the "2008 Bonds") pursuant to the Amended and Restated Indenture, as amended and supplemented by a Fifth Supplement to the Amended and Restated Indenture of Trust dated as of May 1, 2008 (the "Fifth Supplement to the Amended and Restated Indenture" and, collectively with the Amended and Restated Indenture, 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 and the Fourth Supplement to the Amended and Restated Indenture, the "Indenture") between the Authority and U.S. Bank National Association (successor to Wachovia Bank, National Association), as Trustee (the "Trustee").

The Authority is now issuing \$354,925,000 aggregate principal amount of its Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program), Series of 2009 (the "2009 Bonds") pursuant to the Amended and Restated Indenture, as amended and supplemented by a Sixth Supplement to the Amended and Restated Indenture of Trust dated as of June 1, 2009 (the "Sixth Supplement to the Amended and Restated Indenture" and, collectively with the Amended and Restated Indenture, 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 and the Fourth Supplement to the Amended and Restated Indenture, the "Indenture") between the Authority and U.S. Bank National Association (successor to Wachovia Bank, National Association), as Trustee (the "Trustee").

Pursuant to Section 601 of the Act, the City of Philadelphia (the "City"), by Ordinance (Bill No. 1437) approved June 12, 1991, enacted a tax of one and one-half percent (1-1/2%) on salaries, wages, commissions and other compensation earned by residents of the City and on the net profits earned in businesses, professions or other activities conducted by residents of the City (the "PICA Tax") to provide revenues for the purposes of the Authority. Pursuant to the Act, the PICA Tax is to be collected by the Department of Revenue of the Commonwealth of Pennsylvania (the "Department") and remitted by the Department to the Treasurer of the Commonwealth of Pennsylvania (the "Treasurer"), which is then to hold, invest and disburse such moneys as provided in the Act.

Pursuant to Section 603(a) of the Act, the Treasurer is custodian of the Pennsylvania Intergovernmental Cooperation Authority Tax Fund (the "PICA Tax Fund"), which shall be subject to the provisions of law applicable to funds listed in Section 302 of the Fiscal Code (Act of April 9, 1929, P.S. 343, No. 176). Pursuant to Section 603(a) of the Act, the PICA Tax collected by the Department and paid to the Treasurer is to be credited to the PICA Tax Fund not less frequently than every two weeks and, during any period prior to the credit of moneys to the PICA Tax Fund, interest earned on the PICA Tax paid to the Treasurer by the Department shall be deposited into the PICA Tax Fund. The Act also provides that moneys in the PICA Tax Fund shall not lapse or be transferred to any other fund, but shall remain in the PICA Tax Fund and shall at all times be the property of the Authority. Pending their disbursement to the Authority, moneys received by the Treasurer on behalf of or deposited into the PICA Tax Fund are to be invested or reinvested as are other funds in the custody of the Treasurer in the manner provided by law and all earnings received from the investment or deposit of such funds are to be credited to the PICA Tax Fund.

Pursuant to the Indenture, the Authority has assigned and pledged to the Trustee all of its right, title and interest in and to the PICA Tax for the equal and ratable benefit of the owners from time to time of the 2008 Bonds, and the 2009 Bonds outstanding under the Indenture. The Indenture provides for the disbursement of the PICA Tax received by the Trustee in accordance with the provisions of the Act. Section 603(b) of the Act requires the Treasurer to disburse the total amount of moneys which are, as of the close of business of the previous week, contained in the PICA Tax Fund as a result of the tax imposed pursuant to Section 601 of the Act to or upon the order of the Authority and as provided in Section 312 of the Act. The Authority hereby directs that the weekly disbursements to be made by the Treasurer pursuant to Section 603(b) of the Act shall be made to the Trustee so long as any 2008 Bonds, or 2009 Bonds are outstanding under the Indenture. Such direction shall not be subject to modification by the Authority unless consented to by the Trustee so long as any 2008 Bonds or 2009 Bonds are outstanding under the Indenture. The Treasurer shall continue to make such disbursement to the Trustee until it receives written notice from the Authority and the Trustee that the 2008 Bonds or 2009 Bonds are no longer outstanding under the Indenture. The Treasurer is hereby notified that the 1992 Bonds, the 1993 Bonds, the 1993A Bonds, the 1994 Bonds, the 1996 Bonds, the 1999 Bonds, the 2003 Bonds and the 2006 Bonds are no longer outstanding under the Indenture.

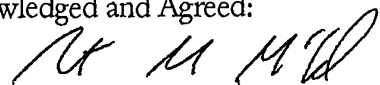
Please indicate your acknowledgement and agreement with the foregoing by signing and dating the enclosed copy of this letter and returning it to the Authority.

Very truly yours,

PENNSYLVANIA INTERGOVERNMENTAL
COOPERATION AUTHORITY

By: 
Uri Z. Monson
Executive Director

Acknowledged and Agreed:



Treasurer of the Commonwealth of Pennsylvania
Dated: June 15, 2009