

**EXHIBIT A**

**Form of 2003 Bond**

Municipal Bond Insurance Policy No. 21041BE (the "Policy") with respect to payments due for principal of and interest on this 2003 Bond has been issued by Ambac Assurance Corporation ("Ambac Assurance"). The Policy has been delivered to the United States Trust Company of New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured from Ambac Assurance or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this 2003 Bond acknowledges and consents to the subrogation rights of Ambac Assurance as more fully set forth in the Policy.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Authority or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

**PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY**  
**Special Tax Revenue Refunding Bonds**  
**(City of Philadelphia Funding Program)**  
**Series of 2003**

<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>INTEREST MODE</u>	<u>CUSIP</u>	<u>NUMBER</u>
June 15, 2022	June 16, 2003	VARIABLE RATE	708840HA4	R-1

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT: ONE HUNDRED SIXTY-FIVE MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS (\$165,550,000.00)**

AS HEREINAFTER DESCRIBED, UNDER CERTAIN CIRCUMSTANCES ON CERTAIN DATES THIS 2003 BOND IS PERMITTED TO BE OR IS REQUIRED TO BE TENDERED FOR PURCHASE TO THE TENDER AGENT AT A PRICE EQUAL TO 100% OF THE PRINCIPAL AMOUNT HEREOF PLUS, INTEREST ACCRUED AND UNPAID HEREON TO BUT NOT INCLUDING THE DATE OF SUCH TENDER. THE OWNER HEREOF WHO ELECTS TO TENDER THIS 2003 BOND OR IS REQUIRED TO TENDER THIS 2003 BOND FOR PURCHASE SHALL BE ENTITLED SOLELY TO THE PAYMENT OF SUCH PURCHASE PRICE AND SHALL NOT BE ENTITLED TO THE PAYMENT OF ANY PRINCIPAL HEREOF OR ANY INTEREST ACCRUED HEREON ON OR AFTER SUCH DATE.

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, United States of America, duly existing 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 (the "Act"), for value received, hereby promises to pay in lawful money of the United States of America to the registered owner named above, or registered assigns, on the maturity date stated above, unless this 2003 Bond shall have previously been called for redemption and payment of the redemption price made or provided for, but solely from amounts specified herein, upon surrender hereof, the principal amount specified hereon, and to pay interest on the principal amount in like manner, but solely from amounts specified herein, from the Interest Payment Date next preceding the authentication date hereof, unless this 2003 Bond has been authenticated on the date of first authentication and delivery of the 2003 Bonds or on an Interest Payment Date to which interest has been paid, in which event interest shall be computed from such authentication date, at the rates per annum and on the dates determined as described herein and in the Indenture until payment of the principal amount, or provision therefor, shall have been made upon redemption, at Maturity, or otherwise.

The principal of and premium, if any, on 2003 Bonds bearing interest at a Variable Rate or Flexible Rate shall be payable at the Principal Office of the Trustee, Wachovia Bank, National Association, in Philadelphia, Pennsylvania, upon presentation and surrender of such 2003 Bonds, which presentation and surrender can be made at the Principal Office of the Tender Agent. The principal of and premium, if any, on the 2003 Bonds bearing interest at a Fixed Rate shall be payable at the Principal Office of the Trustee upon presentation and surrender of such 2003 Bonds. Payment of principal of any 2003 Bond shall be made to any owner of \$1,000,000 or more in aggregate principal amount of 2003 Bonds by wire transfer to such owner on the principal payment date for said 2003 Bonds upon written notice from such owner containing the wire transfer address within the continental United States to which such owner wishes to have such wire directed, which written notice is received not later than the Business Day next preceding the 10<sup>th</sup> day prior to the principal payment or maturity date applicable to such 2003 Bonds, provided that such wire transfer shall only be made upon presentation and surrender of such 2003 Bonds at the Principal Office of the Trustee or Tender Agent, as applicable, on the principal payment date. Any payment of the purchase price of a Tendered Bond shall be payable at the Principal Office of the Tender Agent, upon presentation and surrender of such 2003 Bond, as hereinafter described.

Subject to the provisions of the Indenture applicable to 2003 Bonds issued in Book-Entry form, interest payments on a 2003 Bond (other than with respect to Defaulted Interest) shall be made to the registered owner thereof appearing on the 2003 Bond Register as of the close of business of the 2003 Bond Registrar on the Record Date; provided, however, that during a Flexible Rate Period such payments shall be payable only upon presentation and surrender of such 2003 Bond to the Tender Agent. Interest payments on a 2003 Bond (other than with respect to defaulted interest) shall be made to the registered owner thereof appearing on the 2003 Bond Register as of the close of business of the 2003 Bond Registrar on the Record Date; provided, however, that during a Flexible Rate Period such payments shall be payable only upon presentation and surrender of such 2003 Bond to the Tender Agent. Interest on the 2003 Bonds shall, except as hereinafter provided, be paid: (i) during a Flexible or Variable Rate Period, by check or draft of the Tender Agent mailed on the Interest Payment Date to such registered owner at the address of such owner as it appears on the 2003 Bond Register or at such other address furnished in writing by such registered owner to the Tender Agent, (ii) during a Flexible or Variable Rate Period, by wire transfer sent on the Interest Payment Date to the registered owner upon written notice to the Tender Agent from the registered owner containing the wire transfer address (which shall be in the continental United States) to which the registered owner wishes to have such wire directed which written notice is received not later than the Business Day prior to the first Interest Payment Date to which it relates, it being understood that such notice may refer to multiple interest payments; (iii) on or prior to the Fixed Rate Conversion Date, in such other fashion as is agreed upon between the registered owner and the Tender Agent, including, without limitation, by wire transfer upon such prior notice as may be satisfactory to the Tender Agent or (iv) after the Fixed Rate Conversion Date, by check or draft of the Trustee mailed on the Interest Payment Date to such registered owner at the address of such owner as it appears on the 2003 Bond Register.

Interest during a Flexible Rate Period shall be calculated on the basis of a 365/366 day year for the actual number of days elapsed. Interest during a Variable Rate Period shall be calculated on the basis of a 365/366 day year for the actual number of days elapsed except during a Term Rate Period and during a Fixed Rate Period interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

This 2003 Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the Principal Office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture and upon surrender of this 2003 Bond. Upon such transfer a new Bond or Bonds of like date and tenor in Authorized Denominations of the same Maturity for the aggregate principal amount which the transferee or transferees are entitled to receive will be issued to the transferee or transferees in exchange therefor as provided in the Indenture. The Authority, the Trustee, the Tender Agent, the Remarketing Agent, the Bank and any Paying Agent may treat the person in whose name this 2003 Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, redemption premium, if any, and interest due hereon and for all other purposes, and neither the Authority, the Trustee nor any paying agent shall be affected by any notice to the contrary. If any 2003 Bond is transferred or exchanged on the 2003 Bond Register by the Trustee after notice of the optional redemption or the optional or mandatory tender of such 2003 Bond has been given, the Trustee shall attach a copy of such notice to the 2003 Bond issued in connection with such transfer or exchange. Subsequent to the Fixed Rate Conversion Date, the Trustee shall not be required to register the transfer of or exchange any 2003 Bond after the mailing of notice calling such 2003 Bond or portion thereof for redemption has occurred as herein provided, or during the period of fifteen days next preceding the giving of notice calling any 2003 Bond or Bonds for redemption.

#### DEFINITIONS

To the extent not defined herein, the terms used in this 2003 Bond shall have the same meanings as set forth in the Indenture.

**"Alternate Liquidity Facility"** means a Liquidity Facility provided in accordance with the Third Supplement to the Amended and Restated Indenture (other than (a) the Initial Liquidity Facility or (b) a Renewal Liquidity Facility), including, without limitation, a letter of credit or line of credit of a commercial bank or a credit facility from a financial institution, a standby bond purchase agreement, surety bond or like collateralization, or a combination thereof, which provides security for payment of the purchase price of 2003 Bonds delivered or deemed delivered in accordance with Article III of the Third Supplement to the Amended and Restated Indenture (referred to in this definition as "liquidity support"); provided that at all times while any of the 2003 Bonds bear interest at a Variable Rate or a Flexible Rate such 2003 Bonds (other than Bank Bonds) shall be entitled to liquidity support. Any amendment of a Liquidity Facility which is not a Renewal Liquidity Facility shall be an Alternate Liquidity Facility.

**"Authorized Denomination"** means (i) during any Daily Rate Period, Weekly Rate Period or Flexible Rate Period, \$100,000 and \$5,000 multiples in excess thereof, and (ii) during any Term Rate Period or Fixed Rate Period, \$5,000 and integral multiples thereof.

**"Bank"** means any bank or other financial institution issuing any Liquidity Facility, and initially means JPMorgan Chase Bank.

**"Bank Bonds"** means Tendered Bonds purchased with moneys drawn under the Liquidity Facility and registered in the name of the Bank in accordance with the Liquidity Facility.

**"Bank Rate"** means the per annum rate of interest payable on any Bank Bonds as determined pursuant to the Liquidity Facility (or any reimbursement agreement entered into with respect to a letter of credit that is a Liquidity Facility).

**"Business Day"** means, with respect to the 2003 Bonds, any day other than (i) a Saturday or Sunday, (ii) a day on which banking institutions in Philadelphia, Pennsylvania or in any other city in which the Principal Office of the Trustee or the designated office of the Tender Agent, the Remarketing Agent or the Bank is located are required or authorized by law (including executive order) to close or on which the Principal Office of the Trustee, or the designated office of the Tender Agent, the Remarketing Agent or the Bank is closed for reasons not related to financial condition or (iii) a day on which the New York Stock Exchange is closed.

**"Conversion Date"** means each Fixed Rate Conversion Date, Flexible Rate Conversion Date and Variable Rate Conversion Date.

**"Daily Rate Period"** means, with respect to the 2003 Bonds, each period from and commencing on a Business Day and including and ending on the first day preceding the first Business Day thereafter.

**"Fixed Rate"** means the rate to be borne by the 2003 Bonds from and after the Fixed Rate Conversion Date, which shall be the lowest rate which, in the judgment of the Remarketing Agent, is necessary to enable the 2003 Bonds to be remarketed at the principal amount thereof, plus accrued interest, if any, on the Fixed Rate Conversion Date.

**"Fixed Rate Conversion Date"** means the date on which the 2003 Bonds begin to bear interest at the Fixed Rate.

**"Fixed Rate Period"** means the period of time commencing on the Fixed Rate Conversion Date and ending on the Maturity Date.

**"Flexible Rate"** means the lowest annual rate of interest, expressed as a percentage and rounded to the nearest one thousandth of one percent, determined by the Remarketing Agent on a Flexible Rate Adjustment Date, which would, in the judgment of the Remarketing Agent, enable a particular Bond to be remarketed at the principal amount thereof on such Flexible Rate Adjustment Date given the applicable Interest Period for such 2003 Bond (or, if the Remarketing Agent for any reason fails to determine such rate, the rate determined in accordance with the provisions set forth in this Third Supplement to the Amended and Restated Indenture).

**"Flexible Rate Adjustment Date"** means a Business Day on which a Flexible Rate and an Interest Period for a particular Bond commence.

**"Flexible Rate Conversion Date"** means a date on which the 2003 Bonds begin to bear interest at Flexible Rates.

**"Flexible Rate Period"** means any period of time commencing on a Flexible Rate Conversion Date and ending on a Variable Rate Conversion Date, a Fixed Rate Conversion Date or on the Maturity Date.

**"Immediate Notice"** means notice by telephone, telex or telecopier to such address as the addressee shall have directed in writing, promptly followed by written notice by first class mail, postage prepaid.

**"Initial Bank"** means JPMorgan Chase Bank, in its capacity as issuer of the Initial Liquidity Facility.

**"Initial Liquidity Facility"** means the transferable Standby Bond Purchase Agreement dated as of June 1, 2003, entered into between the Authority and the Initial Bank concurrently with the original issuance of the 2003 Bonds.

**"Interest Component"** means the maximum amount stated in the Liquidity Facility (as reduced and reinstated from time to time in accordance with the terms thereof) which may be drawn for the payment of accrued interest on the 2003 Bonds or for the payment of the portion of the purchase price of Tendered Bonds corresponding to interest accrued on the Tendered Bonds.

**"Interest Coverage Period"** means the number of days for 2003 Bonds bearing interest in a particular interest mode which is used to determine the Interest Component, determined in accordance with the requirements of Section 310(h) of the Third Supplement to the Amended and Restated Indenture in a manner consistent with the periods utilized in calculating interest accrued on 2003 Bonds in such interest mode.

**"Interest Coverage Rate"** means the rate which is used to determine the Interest Component, initially 12% per annum for 2003 Bonds in the Weekly Rate Period secured by the Initial Liquidity Facility, and shall be specified for 2003 Bonds bearing interest in each subsequent mode by the Remarketing Agent in writing to the Trustee at the time such 2003 Bonds commence bearing interest in accordance with such mode, as such rate may be changed from time to time by the Remarketing Agent subject to compliance with Section 310(h) of the Third Supplement to the Amended and

Restated Indenture. Notwithstanding the foregoing, the maximum Interest Coverage Rate that may be established with respect to the 2003 Bonds shall be 12% per annum.

**"Interest Payment Date"** means: (i) during a Flexible Rate Period, each Repurchase Date; (ii) during a Variable Rate Period, (A) when used with respect to a Daily or Weekly Rate Period, the fifteenth (15<sup>th</sup>) day (or the next succeeding Business Day if the fifteenth is not a Business Day) of each calendar month occurring after the Variable Rate Conversion Date with respect thereto, (B) when used with respect to a Term Rate Period, the June 15 or December 15 next succeeding the Variable Rate Conversion Date and the fifteenth day of each sixth month thereafter, and (C) in addition, when used with respect to any Optionally Tendered Bond purchased on an Optional Tender Date, such Optional Tender Date; (iii) each Mandatory Tender Date; (iv) after the Fixed Rate Conversion Date, each June 15 and December 15; (v) the Maturity Date; and (vi) for 2003 Bonds called for redemption, the applicable redemption date.

**"Interest Period"** means, for each 2003 Bond bearing interest at a Flexible Rate, that period of time beginning on a Flexible Rate Adjustment Date and to but not including the next Flexible Rate Adjustment Date, determined by the Remarketing Agent on a Flexible Rate Adjustment Date, which would, in the judgment of the Remarketing Agent, taking into account the Flexible Rate for the particular 2003 Bond being determined on such Flexible Rate Adjustment Date and the Flexible Rates and Interest Periods then borne by all other outstanding 2003 Bonds, enable the 2003 Bonds as a whole to bear the lowest overall rates achievable in the domestic financial market during the Interest Period selected (or, if the Remarketing Agent for any reason fails to determine such date, the date determined in accordance with the provisions set forth in this Third Supplement to the Amended and Restated Indenture).

**"Liquidity Facility"** means the Initial Liquidity Facility, or any Renewal Liquidity Facility or Alternate Liquidity Facility at the time in effect.

**"Mandatory Tender Date"** means any date on which a 2003 Bondholder is required to tender any 2003 Bond for purchase in accordance with Sections 302, 303 or 304 of this Third Supplement to the Amended and Restated Indenture.

**"Mandatorily Tendered Bonds"** means the 2003 Bonds required to be tendered for purchase on a Mandatory Tender Date.

**"Maturity Date"** means, with respect to the 2003 Bonds, June 15, 2022 or, with respect to each 2003 Bond bearing interest at a Fixed Rate which has been assigned a specific maturity date pursuant to Section 205(d) of the Third Supplement to the Amended and Restated Indenture, "Maturity Date" means the date so assigned.

**"No-Call Period"** means the period of time (measured from the Conversion Date) during which the 2003 Bonds in the Fixed Rate Period or the Term Rate Period may not be called for optional redemption as set forth in Section 401 (a) (ii) of the Third Supplement to the Amended and Restated Indenture.

**"Optional Tender Date"** means the date specified by a 2003 Bondholder in a Tender Notice for purchase of any 2003 Bond during a Variable Rate Period in accordance with Section 301 of this Third Supplement to the Amended and Restated Indenture.

**"Optionally Tendered Bonds"** means the 2003 Bonds tendered or deemed tendered for purchase on an Optional Tender Date.

**"Proposed Fixed Rate Conversion Date"** means the date indicated in the written notice of the Authority given pursuant to Section 205 of this Third Supplement to the Amended and Restated Indenture on which the Authority intends to effect a conversion of the interest rate on the 2003 Bonds to the Fixed Rate.

**"Rating Agency"** means each nationally recognized securities rating agency then maintaining a rating on the 2003 Bonds at the request of the Authority, which at the time of issuance of the 2003 Bonds includes S&P, Moody's and Fitch.

**"Record Date"** means, with respect to the 2003 Bonds, while the 2003 Bonds bear interest during a Daily Rate Period, a Weekly Rate Period or a Flexible Rate Period, the close of business on the last Business Day preceding an Interest Payment Date, and while the 2003 Bonds bear interest in a Term Rate Period or a Fixed Rate Period, the close of business on the last day of the calendar month next preceding an Interest Payment Date.

**"Remarketing Agent"** means Raymond James & Associates, St. Petersburg, Florida, and its successor for the time being in such capacity.

**"Remarketing Agreement"** means the Remarketing Agreement dated as of June 1, 2003 between the Authority and the Remarketing Agent or any subsequent remarketing agreement executed by the Authority and any subsequent Remarketing Agent appointed pursuant hereto.

**"Renewal Date"** means the Interest Payment Date next preceding the Stated Expiration Date of the Liquidity Facility at the time in effect (or the next preceding Business Day if such day is not a Business Day).

**"Renewal Liquidity Facility"** means a Liquidity Facility provided in accordance with Section 310 hereof which has been issued with terms and conditions identical to, and by the same provider of, the Liquidity Facility in substitution for which the Renewal Liquidity Facility is to be provided, except for: (a) an extension of the Stated Expiration Date; (b) an increase or decrease in the Interest Coverage Rate or the Interest Coverage Period; (c) an increase or decrease in the Interest Component; (d) an increase or decrease in the portion of the Liquidity Facility designated to pay premium upon purchase of 2003 Bonds to the extent required or permitted by Section 310(h) of the Third Supplement to the Amended and Restated Indenture; (e) changes in the business covenants contained in, the fees payable pursuant to and the interest rate on advances made under the Liquidity Facility; or (f) any combination of (a), (b), (c), (d) and (e).

**"Representation Letter"** means that blanket letter from the Authority to DTC with respect to the issuance of 2003 Bonds in book-entry form.

**"Repurchase Date"** means, for any 2003 Bond during a Flexible Rate Period, a Business Day determined by the Remarketing Agent on an applicable Flexible Rate Adjustment Date as the date on which such 2003 Bond will be repurchased by the Trustee or the Tender Agent, on behalf of the Authority (or, if the Remarketing Agent for any reason fails to determine such date, the date determined in accordance with the provisions of this Third Supplement to the Amended and Restated Indenture).

**"Repurchase Price"** means, with respect to each particular 2003 Bond during a Flexible Rate Period, an amount equal to 100% of the principal amount thereof.

**"Stated Expiration Date"** means the stated date of expiration or termination of the Liquidity Facility, including any extensions thereof.

**"Tender Agent"** means that Person appointed pursuant to Section 501 of the Third Supplement to the Amended and Restated Indenture to perform those functions with respect to the 2003 Bonds related to the registration of transfers and exchanges, tenders, redemptions, notices and purchases thereof and payments thereon prior to the commencement of a Fixed Rate Period.

**"Tendered Bonds"** means Optionally Tendered Bonds and Mandatorily Tendered Bonds.

**"Tender Notice"** means the notice from a 2003 Bondholder to the Tender Agent of an Optional Tender Date in accordance with the provisions set forth in this Third Supplement to the Amended and Restated Indenture.

**"Tender Price"** means with respect to each Tendered Bond, 100% of the principal amount of any such Tendered Bond plus, if an Optional Tender Date is not an Interest Payment Date, interest accrued and unpaid thereon to, but not including, the Optional Tender Date with respect to such 2003 Bond.

**"Term Rate Period"** means any Variable Rate Period from and commencing on the fifteenth (15<sup>th</sup>) day of a calendar month (or the next succeeding Business Day if the fifteenth is not a Business Day) to but not including the fifteenth (15<sup>th</sup>) day (or the next succeeding Business Day if the fifteenth is not a Business Day) of the twelfth (or any integral multiple of 12) succeeding calendar month.

**"Variable Rate"** means, with respect to the then effective Variable Rate Period, the lowest interest rate which, in the judgment of the Remarketing Agent, would enable the 2003 Bonds to be remarketed at the principal amount thereof, plus accrued interest thereon, if any, on the Variable Rate Adjustment Date with respect thereto (or, if the Remarketing Agent for any reason fails to determine such rate, the rate determined in accordance with the provisions set forth in this Third Supplement to the Amended and Restated Indenture).

**"Variable Rate Adjustment Date"** means the first day of each Variable Rate Period.

**"Variable Rate Conversion Date"** means a date on which the 2003 Bonds begin to bear interest at a Variable Rate for (i) a particular Variable Rate Period which is of a different type than the preceding Variable Rate Period, (ii) a Term Rate Period which is of a different length than the preceding Term Rate Period except when shorter by reason of the Maturity Date or (iii) any Variable Rate Period which succeeds a Flexible Rate Period.

**"Variable Rate Period"** means each Daily Rate Period, Weekly Rate Period and Term Rate Period.

**"Weekly Rate Period"** means any Variable Rate Period from and commencing on Thursday of any calendar week and including and ending on the Wednesday of the next calendar week; provided, however, that any Weekly Rate Period which does not follow another Weekly Rate Period shall commence on the Variable Rate Conversion Date with respect

thereto and end on the first or second Wednesday thereafter, at the discretion of the Remarketing Agent in order to most efficiently effect the conversion, and any Weekly Rate Period which is not followed by another Weekly Rate Period shall commence on the last or second to last Thursday of a calendar month, at the discretion of the Remarketing Agent in order to most efficiently effect the conversion, and end on the day preceding the final Interest Payment Date for such Weekly Rate Period.

#### INTEREST RATES

The 2003 Bonds shall bear interest initially at a Variable Rate with a Weekly Rate Period from and including the date of initial issuance until a Flexible Rate Conversion Date or Fixed Rate Conversion Date. During each Variable Rate Period, the 2003 Bonds shall bear interest at the lesser of (i) the Interest Coverage Rate or (ii) the Variable Rate. During the Fixed Rate Period, the 2003 Bonds shall bear interest at a Fixed Interest Rate.

Limits on Interest Periods and Rates. No Interest Period shall be established during a Flexible Rate Period and no Variable Rate Period shall be established which would cause the Interest Coverage Period of the Liquidity Facility to be less than the requirements of Section 310(h) of Amended and Restated Indenture. No interest rate on a 2003 Bond shall be established during a Variable Rate Period which exceeds the Interest Coverage Rate. No Interest Period or Flexible Rate shall be established during a Flexible Rate Period which would cause the aggregate amount of all interest which could accrue on the 2003 Bonds bearing interest at the Flexible Rate during such Flexible Rate Period to exceed the Interest Component allocable to such 2003 Bonds. In addition, no Flexible Rate shall be established which exceeds the applicable Interest Coverage Rate and no Interest Period shall be established during a Flexible Rate Period which exceeds 270 days.

Bank Bonds. Notwithstanding anything herein to the contrary, Bank Bonds shall bear interest at the Bank Rate determined in accordance with the provisions of the Liquidity Facility and not the Variable Rate or Flexible Rate that would otherwise be applicable to such 2003 Bonds were they not Bank Bonds.

#### VARIABLE RATES; CONVERSIONS TO VARIABLE RATE PERIODS

Determination by Remarketing Agent; Notice of Rates Determined. Except as hereinafter provided, the Variable Rate to be applicable to the 2003 Bonds during any Variable Rate Period shall be determined by the Remarketing Agent and notice thereof shall be given as follows:

- (i) Notice of each Variable Rate shall be available commencing on the Business Day immediately succeeding the date of determination during Daily and Weekly Rate Periods by telephone from the Tender Agent upon request of any owner of a 2003 Bond.
- (ii) If the Remarketing Agent fails for any reason to determine or notify the Tender Agent of the Variable Rate for any Variable Rate Period when required hereunder: (A) for 2003 Bonds in a Daily Rate Period or Weekly Rate Period, the Variable Rate for such Rate Period shall be equal to 135% of the BMA Municipal Swap Index published for that Variable Rate Period by Munifacts Wire System, Inc. until the Remarketing Agent next determines the Variable Rate as required hereunder; (B) for 2003 Bonds in a Term Rate Period with a duration of one year or less, such 2003 Bonds shall automatically convert to a Weekly Rate Period and the Variable Rate for such Rate Period shall be equal to 135% of the BMA Municipal Swap Index published for that Variable Rate Period by Munifacts Wire System, Inc until the Remarketing Agent next determines the Variable Rate as required hereunder; and (C) for 2003 Bonds in a Term Rate Period with a duration in excess of one year, such 2003 Bonds shall automatically convert to a Term Rate Period of two years and the Variable Rate for such Rate Period shall be equal to the sum of (i) the yield on 2 year "A" rated general obligation 2003 Bonds as published by Municipal Market Data (or any successor entity) on the first Business Day preceding the Variable Rate Adjustment Date plus (ii) 5 basis points unless the Authority has filed with the Trustee and the Tender Agent a Favorable Opinion acceptable to the Trustee (which opinion may be based upon a ruling or rulings of the Internal Revenue Service) with respect to the conversion of the 2003 Bonds to Variable Rates for Weekly Rate Periods, in which case the 2003 Bonds shall automatically convert to a Weekly Rate Period and the Variable Rate for such Rate Period shall be equal to 135% of the BMA Municipal Swap Index published for that Variable Rate Period by Munifacts Wire System until the Remarketing Agent next determines the Variable Rate as required hereunder.
- (iii) All determinations of Variable Rates shall be conclusive and binding upon the holders of the 2003 Bonds to which such rates are applicable. Failure by the Trustee or the Tender Agent to give any notice as herein provided, any defect therein, and any failure by any 2003 Bondholder to receive any such notice (including without limitation any Immediate Notice) shall not extend the period for making elections, in any way change the rights of the owners of 2003 Bonds to elect to have such 2003 Bonds purchased, in any way change the conditions which must be satisfied in order for such election to be effective or for payment of the purchase price to be made after an effective election or in any way change such owner's obligation to tender the 2003 Bonds for purchase.

Daily Rates and Weekly Rates. A Variable Rate shall be determined by the Remarketing Agent (i) for each Daily Rate Period not later than 10:30 a.m., New York City time, on the commencement date of the Daily Rate Period to which it

relates and (ii) for each Weekly Rate Period not later than 10:00 a.m., New York City time, on the commencement date of the Weekly Rate Period to which it relates (or the preceding Business Day if such day is not a Business Day).

Term Rates. A Variable Rate shall be determined by the Remarketing Agent for each Term Rate Period not later than 12:00 noon, New York City time, on the Business Day immediately preceding the commencement date of such period.

Conversions between Variable Rate Periods. At the option of the Authority, the 2003 Bonds may be converted from one Variable Rate Period to another and from a Term Rate Period of one length to a Term Rate Period of a different length as follows:

- (i) In any such case, the Variable Rate Conversion Date shall be a regularly scheduled Interest Payment Date on which interest is payable for the Variable Rate Period from which the conversion is to be made; provided, however, that if the conversion is from a Term Rate Period to a different Variable Rate Period or a Term Rate Period of a different length, the Variable Rate Conversion Date shall be limited to a regularly scheduled Interest Payment Date on which a new Term Rate Period would otherwise have commenced.
- (ii) Not less than fourteen (14) days prior to the Variable Rate Conversion Date in the case of conversions between Daily and Weekly Rate Periods and not less than thirty (30) days prior to the Variable Rate Conversion Date in all other cases, the Tender Agent shall mail a written notice of the conversion to the holders of all Bonds to be converted. The 2003 Bonds will be subject to Mandatory tender for purchase on the Variable Rate Conversion Date.
- (iii) The Variable Rate for the Variable Rate Period commencing on the Variable Rate Conversion Date shall be determined by the Remarketing Agent in the manner provided above on the date set forth above applicable to the Variable Rate Period to which the conversion shall be made. Notice of such Variable Rates shall be given or made available on the dates and to the parties specified above in the manner provided above applicable to the Variable Rate Period to which the conversion shall be made.

Conversions from Flexible Rate Periods. At the option of the Authority, the 2003 Bonds may be converted from a Flexible Rate Period to a Variable Rate Period as follows:

- (i) The Variable Rate Conversion Date shall be the last regularly scheduled Interest Payment Date on which interest is payable for any Interest Periods theretofore established for the 2003 Bonds to be converted.
- (ii) Not less than fourteen (14) days prior to the Variable Rate Conversion Date if converting to a Daily or Weekly Rate Period and not less than thirty (30) days prior to the Variable Rate Conversion Date if converting to any other Variable Rate Period, the Tender Agent shall mail a written notice of the conversion to all holders of the 2003 Bonds to be converted. The 2003 Bonds will be subject to Mandatory tender for purchase on the Variable Rate Conversion Date.
- (iii) The Variable Rate for the Variable Rate Period commencing on the Variable Rate Conversion Date shall be determined by the Remarketing Agent in the manner provided above on the date set forth above applicable to the variable Rate Period to which the conversion shall be made. Notice of such Variable Rates shall be given or made available on the dates and to the parties specified above in the manner provided above applicable to the Variable Rate Period to which the conversion shall be made.

#### **FLEXIBLE RATES; CONVERSIONS TO FLEXIBLE RATE PERIODS**

Flexible Rates. A Flexible Rate for each Interest Period shall be determined as follows:

- (i) The Interest Periods for each Bond shall be of such duration, not exceeding 270 days, as may be offered by the Remarketing Agent and specified by the purchaser.
- (ii) The Flexible Rate for each Interest Period shall be effective from and including the commencement date of such period through and including the last day thereof. Each such Flexible Rate shall be determined by the Remarketing Agent in connection with the sale of the 2003 Bond or Bonds to which it relates.
- (iii) If the Remarketing Agent fails for any reason to determine or notify the Tender Agent of the Interest Period or Flexible Rate when required hereunder, the Interest Period shall be of the shortest permitted duration and the Flexible Rate shall be equal to 135% of the BMA Municipal Swap Index in effect on the first day of such Interest Period.
- (iv) All determinations of Flexible Rates and Interest Periods shall be conclusive and binding upon the Authority, the Trustee, the Tender Agent, the Bank and the holders of the 2003 Bonds to which such rates and periods are applicable.



Conversions to Flexible Rate Periods. At the option of Authority, the 2003 Bonds may be converted from a Variable Rate Period to a Flexible Rate Period as follows:

- (i) In any such case, the Flexible Rate Conversion Date shall be a regularly scheduled Interest Payment Date on which interest is payable for the Variable Rate Period from which the conversion is to be made; provided, however, that in the case of a conversion from a Term Rate Period, the Flexible Rate Conversion Date shall be a regularly scheduled Interest Payment Date on which a new Term Rate Period would otherwise have commenced.
- (ii) Not less than fourteen (14) days prior to the Flexible Rate Conversion Date, in the case of conversions from Daily or Weekly Rate Periods, and not less than thirty (30) days prior to the Flexible Rate Conversion Date in all other cases, the Tender Agent shall mail a written notice of the conversion to the holders of all Bonds to be converted, specifying the Flexible Rate Conversion Date. The 2003 Bonds will be subject to Mandatory tender for purchase on the Variable Rate Conversion Date.

#### **FIXED RATE CONVERSION AT OPTION OF THE AUTHORITY**

At the option of the Authority, the 2003 Bonds bearing interest at a Variable Rate, or Flexible Rates may be converted to bear interest at the Fixed Interest Rate as hereinafter provided. Any such conversion shall be made as follows:

- (a) The Fixed Rate Conversion Date shall be: (i) in the case of a conversion from a Variable Rate Period other than a Term Rate Period, a regularly scheduled Interest Payment Date on which interest is payable for the Variable Rate Period from which the conversion is to be made; (ii) in the case of a conversion from a Term Rate Period, a regularly scheduled Interest Payment Date on which a new Term Rate Period would otherwise have commenced; or (iii) in the case of a conversion from a Flexible Rate Period, a day which is the last regularly scheduled Interest Payment Date on which interest is payable for any Interest Period theretofore established for the 2003 Bonds to be converted.
- (b) In the event of a conversion from a Variable Rate Period or a Flexible Rate Period, the Tender Agent shall mail a notice of the proposed conversion to the holders of all Bonds to be converted not less than thirty (30) days prior to the Proposed Fixed Rate Conversion Date and shall inform the 2003 Bondholders of: (i) the Proposed Fixed Rate Conversion Date; and (ii) the other matters required in connection with the mandatory tender of the 2003 Bonds. The 2003 Bonds will be subject to Mandatory tender for purchase on the Fixed Rate Conversion Date.
- (c) The Fixed Rate(s) established for the 2003 Bonds to be effective on the Fixed Rate Conversion Date shall be set forth in an underwriting or purchase contract and shall equal the minimum interest rate(s) necessary to remarket such 2003 Bonds on the Fixed Rate Conversion Date at an aggregate purchase price of 100% of the principal amount thereof taking into account the fact that such 2003 Bond shall mature or be subject to mandatory sinking fund redemption on a particular June 15 up to and including June 15, 2022, that all 2003 Bonds shall pay interest semiannually on each Interest Payment Date of each year, that all 2003 Bonds maturing on a particular June 15 shall bear interest at the same rate.

The determination of the Fixed Interest Rate(s) shall be conclusive and binding upon the Authority, the Trustee, the Tender Agent, if any, the Bank, if any, and the holders of the 2003 Bonds to which such rate(s) will be applicable.

#### **PURCHASE OF THE 2003 BONDS**

##### **Optional Tenders During Variable Rate Periods**

Optional Tender Dates. The holders of 2003 Bonds bearing interest at Variable Rates may elect to have their 2003 Bonds or portions thereof in whole multiples of Authorized Denominations purchased at the Tender Price of such 2003 Bonds (or portions), on the following Optional Tender Dates and upon the giving of the following oral (which may be by telephone) or written (which may be by telecopy or facsimile communication) notices meeting the further requirements below:

- (i) Daily Rate Period. During a Daily Rate Period, 2003 Bonds may be tendered for purchase on any Business Day upon oral or written notice of tender given to the Tender Agent not later than 10:00 a.m., New York City time, on the Optional Tender Date;
- (ii) Weekly Rate Period. During a Weekly Rate Period, 2003 Bonds may be tendered for purchase on any Business Day upon oral or written notice of tender to the Tender Agent not later than 5:00 p.m., New York City time, on a Business Day not less than seven (7) days prior to the Optional Tender Date; and
- (iii) Term Rate Period. During a Term Rate Period, 2003 Bonds may be tendered for purchase on the first Business Day following such Term Rate Period upon delivery of a written notice of tender to the Tender Agent not later than 5:00 p.m., New York City time, on a Business Day not less than seven (7) days prior to the Optional Tender Date.

Notice of Tender. Each notice of tender: (i) shall, in the case of a written notice, be delivered to the Tender Agent at its Principal Office and be in form satisfactory to the Tender Agent; (ii) shall, whether delivered orally or in writing, state (A) the name and address of such 2003 Bondholder and the principal amount of the 2003 Bond to which the notice relates, (B) that the 2003 Bondholder irrevocably demands purchase of such 2003 Bond or a specified portion thereof in a whole multiple of an Authorized Denomination, (C) the Optional Tender Date on which such 2003 Bond or portion is to be purchased and (D) the payment instructions with respect to the Tender Price; and (iii) shall automatically constitute, whether delivered orally or in writing (A) an irrevocable offer to sell the 2003 Bond (or portion thereof) to which the notice relates on the Optional Tender Date to any purchaser selected by the Remarketing Agent, at a price equal to the Tender Price of such 2003 Bond (or portion thereof), (B) an irrevocable authorization and instruction to the Tender Agent to effect transfer of such 2003 Bond (or portion thereof) upon payment of the Tender Price to the Tender Agent on the Optional Tender Date, (C) an irrevocable authorization and instruction to the Tender Agent to effect the exchange of the 2003 Bond to be purchased in whole or in part for other Bonds in an equal aggregate principal amount so as to facilitate the sale of such 2003 Bond (or portion thereof to be purchased), and (D) an acknowledgment that such 2003 Bondholder will have no further rights with respect to such 2003 Bond (or portion thereof) upon payment of the Tender Price thereof to the Tender Agent on the Optional Tender Date, except for the right of such 2003 Bondholder to receive such Tender Price upon surrender of such 2003 Bond to the Tender Agent.

The determination of the Tender Agent as to whether a notice of tender has been properly delivered pursuant to the foregoing shall be conclusive and binding upon the owner of such 2003 Bond.

Delivery of 2003 Bonds. All Bonds to be purchased on any Optional Tender Date shall be required to be delivered to the Principal Office of the Tender Agent by (i) 12:00 noon, New York City time, on the Optional Tender Date with respect to Bonds during a Daily or Weekly Rate Period; or (ii) 5:00 p.m., New York City time, on the second Business Day prior to the Optional Tender Date with respect to Bonds during Term Rate Periods.

#### **Tenders During Flexible Rate Periods**

Repurchase Dates. Each Bond bearing interest at a Flexible Rate shall be subject to mandatory tender for purchase on each Repurchase Date at the Repurchase Price.

Remarketing of Tendered Bonds. The Remarketing Agent shall offer for sale and use its best efforts to find purchasers for all Bonds required to be purchased on the Repurchase Date. In remarketing the 2003 Bonds, the Remarketing Agent shall offer and accept purchase commitments for the 2003 Bonds for such Interest Periods and at such Flexible Rates as it deems to be advisable in order to minimize the net interest cost on the 2003 Bonds under prevailing market conditions. The foregoing notwithstanding, no Interest Period may be established which exceeds the shortest of (A) 270 days, (B) the remaining number of days prior to any Mandatory Tender Date occurring as a result of a proposed conversion, or (C) the remaining number of days prior to each date on which Bonds are subject to optional or mandatory sinking fund redemption, if and to the extent necessary to enable the Tender Agent to make such purchases on or before such date.

Payments by the Tender Agent. By 3:00 p.m., New York City time, on the Repurchase Date and upon receipt by the Tender Agent of 100% of the aggregate Repurchase Price of the tendered Bonds, the Tender Agent shall pay the Repurchase Price of such 2003 Bonds to the holders thereof at its Principal Office or by bank wire transfer. Such payments shall be made in immediately available funds. If sufficient funds are not available for the purchase of all tendered Bonds, no purchase shall be consummated.

Delivery of 2003 Bonds. All Bonds to be purchased on any Repurchase Date shall be required to be delivered to the Principal Office of the Tender Agent by 1:00 p.m., New York City time, on the Repurchase Date.

#### **Mandatory Tender Upon Conversions among Variable Rate Periods and Flexible Rate Periods**

Variable Rate Conversions. 2003 Bonds which are subject to conversion on any Variable Rate Conversion Date shall be subject to mandatory tender for purchase on the Variable Rate Conversion Date at the Tender Price or Repurchase Price, as the case may be.

Flexible Rate Conversions. 2003 Bonds which are subject to conversion on any Flexible Rate Conversion Date are subject to mandatory tender for purchase on the applicable Flexible Rate Conversion Date at the Tender Price.

Notice to Bondholders. Any notice of a conversion given to Bondholders shall state that the 2003 Bonds to be converted will be subject to mandatory tender for purchase on the Variable Rate Conversion Date or Flexible Rate Conversion Date at the Tender Price or Repurchase Price, as the case may be, and will specify the time at which Bonds are to be tendered for purchase with respect.

Delivery of 2003 Bonds. (A) During a Variable Rate Period. All Bonds to be purchased shall be required to be delivered to the principal corporate trust office of the Tender Agent by (i) 1:00 p.m., New York City time, on the Mandatory Tender Date to Bonds during a Daily or Weekly Rate Period; or (ii) 5:00 p.m., New York City time, on the second Business Day prior to the Mandatory Tender Date with respect to Bonds during Term Rate Periods. (B) During a Flexible Rate Period.

All Bonds shall be required to be delivered to the principal corporate trust office of the Tender Agent by 1:00 p.m., New York City time, on the Mandatory Tender Date.

**Mandatory Tender Upon Fixed Rate Conversion or Substitution or Termination of Liquidity Facility**

(i) Proposed Fixed Rate Conversion Date. The 2003 Bonds to be converted to bear interest at the Fixed Rate pursuant to Section 205 of the Third Supplement to the Amended and Restated Indenture shall be subject to mandatory tender for purchase on a Proposed Fixed Rate Conversion Date at a price equal to the Tender Price or the Repurchase Price, as the case may be.

(ii) Substitution of the Liquidity Facility with an Alternate Liquidity Facility. The 2003 Bonds (other than Bank Bonds and 2003 Bonds bearing interest at the Fixed Rate) are subject to mandatory tender for purchase at a purchase price equal to the Tender Price or the Repurchase Price, as the case may be, on the regularly scheduled Interest Payment Date immediately preceding the effective date of any substitution of the Liquidity Facility with an Alternate Liquidity Facility in accordance with the provisions of Section 310 of the Third Supplement to the Amended and Restated Indenture.

(iii) No Renewal Liquidity Facility. The 2003 Bonds are subject to mandatory tender for purchase at a purchase price equal to the Tender Price or Repurchase Price, as the case may be, on any Renewal Date if by the tenth day preceding such Renewal Date the Trustee has not received a Renewal Liquidity Facility.

(iv) Default under the Liquidity Facility. The 2003 Bonds are subject to mandatory tender for purchase at a purchase price equal to the Tender Price or Repurchase Price, as the case may be, on the fifteenth day (or the next preceding Business Day if such day is not a Business Day) after receipt by the Trustee of notice from the Bank of the occurrence of a default under the Liquidity Facility and that such Liquidity Facility shall be terminated; provided that (i) the Mandatory Tender Date shall be at least five days prior to the termination of the Bank's obligation to honor draws under the Liquidity Facility and (ii) no purchase shall be required if prior to the Mandatory Tender Date the Trustee receives written notice from the Bank to the effect that the default has been cured in accordance with the provisions of the Liquidity Facility and such Liquidity Facility is, as of the date of such notice to the Trustee, in full force and effect and will not terminate as a result of such termination notice from the Bank.

Notice to Bondholders. The Tender Agent shall mail notice to Bondholders of any mandatory tender as follows: (i) pursuant to (i) above, not less than thirty (30) days prior to the Mandatory Tender Date; (ii) pursuant to (ii) or (iii) above, not less than fifteen (15) days prior to the Mandatory Tender Date, and (iii) pursuant to (iv) above, on the Business Day next succeeding receipt by the Trustee of the notice from the Bank described therein.

In the case of a notice pursuant to (i) above, such notice will state, among other things, the Proposed Fixed Rate Conversion Date, that the 2003 Bonds will be subject to mandatory tender for purchase on the Fixed Rate Conversion Date at the Tender Price or Repurchase price, as the case may be, and the time at which the 2003 Bonds are to be tendered for purchase.

Delivery of 2003 Bonds. All 2003 Bonds to be purchased on any Mandatory Tender Date shall be required to be delivered to the Principal Office of the Tender Agent by (i) 12:00 noon, New York City time, on the Mandatory Tender Date with respect to Bonds during a Daily or Weekly Rate Period; or (ii) 5:00 p.m., New York City time, on the second Business Day prior to the Mandatory Tender Date with respect to Bonds during Term Rate Periods.

Purchase of Tendered Bonds: Payments by the Tender Agent. By 3:00 p.m., New York City time, on the Optional Tender Date or Mandatory Tender Date set for purchase of tendered Bonds and upon receipt by the Tender Agent of 100% of the aggregate purchase price of the Tendered Bonds, the Tender Agent shall pay the purchase price of such 2003 Bonds to the holders thereof at its Principal Office or by bank wire transfer. Such payments shall be made in immediately available funds. If sufficient funds are not available for the purchase of all tendered Bonds, no purchase shall be consummated.

**Effect of Failure to Surrender Bonds.** If the owner of any 2003 Bond (or portion thereof) that is subject to purchase fails to deliver such 2003 Bond to the Tender Agent for purchase on the Optional Tender Date or Mandatory Tender Date and if the Tender Agent is in receipt of the purchase price therefor, such 2003 Bond (or portion thereof) shall nevertheless be deemed purchased on the day fixed for purchase thereof and ownership of such 2003 Bond (or portion thereof) shall be transferred to the purchaser. Any 2003 Bondholder who fails to deliver a 2003 Bond for purchase as required above shall have no further rights thereunder except the right to receive the purchase price thereof upon presentation and surrender of said 2003 Bond to the Tender Agent. Such delivery shall be a condition to payment of the purchase price by the Tender Agent on the Optional Tender Date or Mandatory Tender Date.

**Failed Conversion.** If on a Variable Rate Conversion Date, Flexible Rate Conversion Date or Proposed Fixed Rate Conversion Date, any condition precedent to such conversion required under the Indenture shall not be satisfied, such conversion shall not occur, the mandatory tender shall remain effective.

