



# CITY OF PHILADELPHIA

OFFICE OF THE DIRECTOR OF FINANCE  
1401 John F. Kennedy Blvd.  
Room 1330, Municipal Services Bldg.  
Philadelphia, Pennsylvania 19102-1693  
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JANICE D. DAVIS  
Secretary of Financial  
Oversight and  
Director of Finance

June 12, 2003

Raymond James & Associates, Inc.  
as Representative for the Underwriters  
880 Carillon Parkway  
St. Petersburg, FL 33716

Ladies and Gentlemen:

Pursuant to the Bond Purchase Contract (the "Purchase Contract") between the Pennsylvania Intergovernmental Cooperation Authority (the "Authority") and Raymond James & Associates, Inc. (the "Representative"), as representative of the Underwriters specified therein, the Authority has agreed, inter alia, to sell to the Underwriters One Hundred Sixty-Five Million Five Hundred Fifty Thousand (\$165,550,000) Dollars aggregate principal amount of its Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program), Series of 2003 (the "2003 Bonds") and the Underwriters have agreed to purchase said 2003 Bonds upon the terms and conditions set forth in the Purchase Contract. Unless otherwise defined herein, the terms defined in the Purchase Contract are used herein with the same meanings. This Letter of Representations is delivered to you pursuant to the Purchase Contract.

As of the date hereof, the undersigned, on behalf of the City, hereby represents and warrants to and agrees with each of you as follows:

1. The terms of the Purchase Contract are hereby approved, without waiving any of the City's rights due to provisions of paragraph 12 thereof;
2. The City has duly and validly authorized and approved the execution and delivery of the Cooperation Agreement, the Tax Collection Agreement and the Tax Compliance Agreement, and the performance by the City of its obligations, covenants and agreements contained therein;

3. The City has duly and validly acknowledged and approved the City Account Deposit Agreement;

4. The City has duly and validly executed and delivered, and has, and at the date of Closing will have, full legal right, power and authority to perform its obligations under the Cooperation Agreement and the Tax Collection Agreement; and the City has, and at the date of Closing will have, full legal right, power and authority to perform its obligations under the Tax Compliance Agreement;

5. The Tax Ordinance and the Cooperation Ordinance and the resolution of City Council approving the Plan (the "City Resolutions") have been duly and validly enacted or adopted, as applicable, by City Council and the Tax Ordinance and the Cooperation Ordinance have been approved by the Mayor, all pursuant to authority granted in the Act and in accordance with the Constitution of the Commonwealth and the Philadelphia Home Rule Charter;

6. All action taken by City Council, the Mayor and other authorized City officials in connection with the enactment of the Tax Ordinance and the Cooperation Ordinance and the adoption of the City Resolutions, including, without limitation, publication, convening and conduct of the public meetings at which public hearings were held and action was taken, were and are in compliance with the Philadelphia Home Rule Charter and Act 1998-93 of the General Assembly of the Commonwealth, approved October 15, 1998 (or, in the case of any action taken prior to the effective date thereof, the Act approved July 3, 1986, No. 84, P.L. 388, as amended). The Tax Ordinance, the Cooperation Ordinance and the City Resolutions are in full force and effect as of the date hereof and have not been amended since the respective dates of their enactment and adoption.

7. As provided in the Act, the proceeds of the Authority Tax as of the date hereof are, and at all times subsequent to the date hereof and as of and after the Closing will be, the revenues and property of the Authority, are not property or revenues of the Commonwealth or the City and are not subject to appropriation by either the Commonwealth or the City;

8. Except as otherwise disclosed in the Official Statement, the City is not, to the best of the City's knowledge in any material respect, in breach of or default under the City's Home Rule Charter or the Code of General Ordinances, or any applicable law or administrative regulation of the Commonwealth or the United States, or any applicable judgment, decree or loan agreement, note, resolution, ordinance, agreement or other instrument to which the City is a party or by which it is otherwise bound, the consequence of which or the correction of which would materially and adversely affect the financial condition or operations of the City as a whole;

9. The execution and delivery of the Cooperation Agreement and the Tax Collection Agreement by the City and compliance with the provisions thereof did not, do not and will not constitute a breach of or default under the City's Home Rule Charter or the Code of General Ordinances, or any existing applicable law or administrative regulation or the Constitution of the Commonwealth or the United States or any applicable judgment or decree and did not and do not, to the best of the City's knowledge, in any material respect constitute a default under any loan agreement, note, resolution, ordinance, agreement or other instrument to which the City is a party or by which it is otherwise bound;

10. The execution and delivery of the Tax Compliance Agreement by the City and compliance with the provisions thereof do not and will not constitute a breach of or default under

the City's Home Rule Charter or the Code of General Ordinances, or any applicable law or administrative regulation or the Constitution of the Commonwealth or the United States or any existing applicable judgment or decree and do not to the best of the City's knowledge in any material respect constitute a default under any loan agreement, note, resolution, ordinance, agreement, or other instrument to which the City is a party or by which it is otherwise bound;

11. The acknowledgment and approval of the City Account Deposit Agreement by the City do not and will not constitute a breach of or default under the City's Home Rule Charter or the Code of General Ordinances, or any applicable law or administrative regulation or the Constitution of the Commonwealth or the United States or any applicable judgment or decree;

12. The information concerning the City contained in the Official Statement, including without limitation, the financial information concerning the City, is correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect, and the City has consented to the use of such information in the Official Statement;

13. The City will notify the Representative, and the Authority, to the extent not disclosed in the Official Statement, of any material adverse change in the business, properties, financial condition or results of operation of the City as a whole occurring before the Closing or within 25 days after the end of the underwriting period for the 2003 Bonds (within the meaning of Rule 15c2-12). The City may presume for purposes of this section that the underwriting period of the 2003 Bonds will end on the date of Closing unless the City is otherwise notified in writing at the Closing by the Representative.

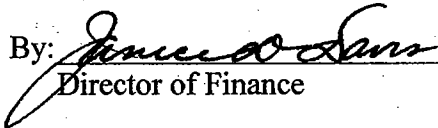
14. The City agrees that between the date hereof and the date of Closing it will take no action which will cause the representations and warranties contained herein to be untrue at any time from the date hereof up to and including the date of Closing; and

15. Based solely on the information provided to me by the Law Department of the City of Philadelphia (the "Department") after inquiry within the Department, except for litigation which in the opinion of the Department is without merit, and except as disclosed in the Official Statement, no litigation or other legal proceeding is pending against the City or, to the best of the Department's knowledge, threatened in writing against the City (i) to restrain or enjoin the issuance or sale of the 2003 Bonds or the City's execution or delivery of, or performance under, the Cooperation Agreement, the Tax Collection Agreement or the Tax Compliance Agreement, or in any way contesting any authority for or the validity or enforceability of the 2003 Bonds, the Act, the City Resolution, the Ordinances, the Cooperation Agreement, the Tax Collection Agreement, the Tax Compliance Agreement, the City Account Deposit Agreement or the Indenture, or (ii) in which a final adverse decision can reasonably be anticipated in a magnitude or scope which would materially and adversely affect the financial condition or operations of the City as a whole, or (iii), contesting in any way the completeness or accuracy of the information concerning the City in the Official Statement or (iv) contesting in any way the validity or enforceability of the City's obligations under the Cooperation Agreement or the Tax Collection Agreement, the powers of the City or the validity, collection or pledge of the Authority Tax or (v) in any way challenging the right of the Director of Finance or any other official of the City signatory to any of the Bond Documents to which the City is a party or referred to in the Purchase Contract or herein to hold his or her office, or the respective powers of such offices.

This Letter of Representations is made solely for the benefit of the addressees hereof and the signatories hereto (including the successors and assigns of any Underwriter) and no other persons shall acquire or have any right hereunder or by virtue hereof. The terms "successors" and "assigns" as used herein shall not include any purchaser, as such purchaser, of any of the 2003 Bonds from the Underwriters. All representations, warranties and agreements in this Letter of Representations shall remain operative and survive the execution hereof.

Very truly yours,

CITY OF PHILADELPHIA

By:  \_\_\_\_\_  
Director of Finance

Acknowledged and accepted on June 16, 2003

PENNSYLVANIA INTERGOVERNMENTAL  
COOPERATION AUTHORITY

By: \_\_\_\_\_  
(Vice) Chairperson

RAYMOND JAMES & ASSOCIATES, INC.  
on behalf of the Underwriters

By: \_\_\_\_\_

This Letter of Representations is made solely for the benefit of the addressees hereof and the signatories hereto (including the successors and assigns of any Underwriter) and no other persons shall acquire or have any right hereunder or by virtue hereof. The terms "successors" and "assigns" as used herein shall not include any purchaser, as such purchaser, of any of the 2003 Bonds from the Underwriters. All representations, warranties and agreements in this Letter of Representations shall remain operative and survive the execution hereof.

Very truly yours,

CITY OF PHILADELPHIA

By: \_\_\_\_\_  
Director of Finance

Acknowledged and accepted on June 16, 2003

PENNSYLVANIA INTERGOVERNMENTAL  
COOPERATION AUTHORITY

By: Joseph C. Uyeda  
Executive Director

RAYMOND JAMES & ASSOCIATES, INC.  
on behalf of the Underwriters

By: Mr. T. J. [Signature]