

REMARKETING AGREEMENT

REMARKETING AGREEMENT, dated as of June 1, 2003 and effective as of June 16, 2003 between PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY (the "Issuer") and RAYMOND JAMES & ASSOCIATES, INC. (the "Remarketing Agent").

WHEREAS, on June 16, 2003 the Issuer is issuing its Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program), Series of 2003 (the "Bonds") in the principal amount of \$165,550,000 pursuant to that certain Amended and Restated Indenture of Trust dated as of December 1, 1994 as amended to date, including as amended by the Third Supplement to the Amended and Restated Indenture of Trust dated as of June 1, 2003 (the "Third Supplement"; collectively, the "Indenture") between the Issuer and Wachovia Bank, National Association, as successor trustee (the "Trustee"); and

WHEREAS, to secure the payment of the purchase price of the Bonds, JPMorgan Chase Bank (the "Liquidity Facility Provider") is entering into a Standby Bond Purchase Agreement dated as of June 1, 2003 with the Issuer (the "Liquidity Facility"); and

WHEREAS, the Bonds are subject to purchase upon notice and delivery to the Trustee as provided in the Indenture; and

WHEREAS, the Issuer has appointed the Remarketing Agent (and the Remarketing Agent by execution hereby accepts the appointment) as Remarketing Agent pursuant to the Indenture; and

WHEREAS, the Issuer and the Remarketing Agent desire to make additional provisions regarding the Remarketing Agent's role as Remarketing Agent for the Bonds.

NOW, THEREFORE, for and in consideration of the covenants herein made, the Issuer and the Remarketing Agent hereby agree as follows:

Section 1. Definitions. All capitalized terms used in this Remarketing Agreement which are not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

Section 2. Duties. In reliance upon the representations and agreements, but subject to the terms and conditions contained in the Indenture and in this Remarketing Agreement, the Issuer hereby appoints the Remarketing Agent, and the Remarketing Agent hereby accepts such appointment, as exclusive remarketing agent in connection with the offering and sale of the Bonds from time to time in the secondary market subsequent to the initial offering, issuance and sale of the Bonds, including Bank Bonds.

The Remarketing Agent will perform the duties specified as Remarketing Agent under the Indenture and this Remarketing Agreement. In acting as Remarketing Agent, the Remarketing Agent will act as agent and not as principal except as expressly provided in this Section.

The Remarketing Agent may, if it determines to do so in its sole discretion, buy as principal any such Bonds but it will not in any event be obligated to do so.

Section 3. Disclosure Statement.

(a) If the Remarketing Agent determines that it is necessary or desirable to use a disclosure statement in connection with its offering of the Bonds, the Remarketing Agent will notify the Issuer and the Issuer will provide the Remarketing Agent with a disclosure statement satisfactory to the Remarketing Agent and its counsel in respect of the Bonds. The Issuer will supply the Remarketing Agent with such number of copies of the disclosure statement and documents related thereto as the Remarketing Agent requests from time to time and will amend the disclosure statement (and/or the documents incorporated by reference in it) so that at all times the disclosure statement and any

documents related thereto will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements in such documents, in the light of the circumstances under which they were made, not misleading. In addition, the Issuer will provide the Remarketing Agent such officers' certificates, counsel opinions, accountants' letters and other documents as may be customary in similar transactions. If the Issuer does not perform its obligations under this Section, the Remarketing Agent may immediately suspend remarketing efforts until such time as disclosure statements satisfactory to the Remarketing Agent and its counsel are supplied.

(b) The Issuer has previously prepared and delivered to the Remarketing Agent a copy of the Official Statement, dated June 12, 2003, including appendices consisting of financial and other information in respect of the Issuer, the City of Philadelphia (the "City") and the Liquidity Facility Provider. The Issuer authorizes the use by the Remarketing Agent of the Official Statement in connection with the remarketing of Bonds. For purposes of this Remarketing Agreement, the Official Statement and any other documents provided to the Remarketing Agent pursuant to paragraph (a) of this Section shall be considered to be the Disclosure Statement (as defined in § 7 hereof).

Section 4. Representations, Warranties, Covenants and Agreements of the Remarketing Agent. The Remarketing Agent, by its acceptance hereof, represents, warrants, covenants and agrees with the Issuer as follows:

(a) It is authorized by law to perform all the duties imposed upon it by the Indenture and this Remarketing Agreement, and the Remarketing Agent is a member of the National Association of Securities Dealers, Inc.

(b) The execution and delivery of this Remarketing Agreement and the consummation of the transactions contemplated herein and in the Indenture will not conflict with or constitute on the part of the Remarketing Agent a breach of or default under its charter documents, its by-laws, or any statute, indenture, mortgage, deed of trust, lease, note agreement or other agreement or instrument to which the Remarketing Agent is a party or by which it or its properties are bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Remarketing Agent or any of its activities or properties.

(c) This Remarketing Agreement has been duly authorized, executed and delivered by the Remarketing Agent, and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws, or equitable principles relating to or limiting creditors' rights generally.

(d) The Remarketing Agent will use its best efforts to remarket the Bonds pursuant to the Remarketing Agreement.

Section 5. Representations, Warranties, Covenants and Agreements of the Issuer. The Issuer, by its acceptance hereof, represents, warrants, covenants, and agrees with the Remarketing Agent as follows:

(a) It has full power and authority to take all actions required or permitted to be taken by it or under, and to perform and observe the covenants and agreements on its part contained in, the Bond Documents (as defined in that certain Bond Purchase Agreement dated June 12, 2003 between the Issuer and Raymond James & Associates, Inc.) on behalf of the underwriters and any other instrument or agreement relating thereto to which it is a party (collectively, the "Closing Documents").

(b) It has, on or before the date hereof, duly taken all action necessary to be taken by it prior to such date for: (i) the execution, delivery and performance of the Closing Documents which have been executed in connection with the transactions contemplated by the foregoing documents, and (ii) the carrying out, giving effect to, consummation and performance of the transactions and obligations contemplated hereby and by the Official Statement; *provided* that no representation is made with respect to compliance with the securities or Blue Sky laws of the various states of the United States.

(c) The Closing Documents which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement, will constitute its legal, valid and binding obligations, enforceable against it in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws, or equitable principles relating to or limiting creditors' rights generally.

(d) The execution and delivery of the Closing Documents which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement, the compliance with the terms, conditions or provisions thereof, and the consummation of the transactions therein contemplated do not and will not violate any law, regulation, order, writ, injunction or decree of any court or governmental body or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Issuer pursuant to any mortgage, resolution, agreement or instrument to which the Issuer is a party or by which it or any of its properties is bound other than those provided for in or contemplated by the Indenture.

(e) All authorizations, consents and approvals of, notices to, registrations or filings with, or actions in respect of any governmental body, agency or other instrumentality or court required in connection with the execution, delivery and performance by the Issuer of the Closing Documents and which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement have been obtained, given or taken and are in full force and effect; *provided* that no representation is made with respect to compliance with the securities or Blue Sky laws of the various states of the United States.

(f) To the knowledge of the Issuer, other than as described in the Official Statement, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or threatened against or affecting it wherein an unfavorable decision, ruling or finding is likely to have a material adverse effect on the financial condition or solvency of the Issuer or the ability of the Issuer to perform its obligations under the Closing Documents or any other agreement or instrument to which it is a party and which is used or contemplated for use in consummation of the transactions contemplated hereby or by the Official Statement.

(g) The Issuer will cooperate with the Remarketing Agent in the qualification of the Bonds for offering and sale and the determination of the eligibility of the Bonds for investment under the laws of such jurisdictions as the Remarketing Agent shall designate and will use its best efforts to continue any such qualifications in effect so long as required for the distribution of all the Bonds by the Remarketing Agent; *provided* that the Issuer shall not be required to incur any expense, consent to service of process in any such jurisdiction or qualify to do business in any jurisdiction where it is not now so subject.

Section 6. Conditions To Remarketing Agent's Obligations. The obligations of the Remarketing Agent under this Remarketing Agreement have been undertaken in reliance on, and shall be subject to, the due performance by the Issuer of its obligations and agreements to be performed hereunder and to the accuracy of and compliance with the representations, warranties, covenants and agreements of the Issuer contained herein, on and as of the date of delivery of this Remarketing Agreement. The obligations of the Remarketing Agent on and as of each date on which Bonds are to be offered and sold pursuant to this Remarketing Agreement are also subject to the following further conditions:

(a) Each of the Closing Documents shall be in full force and effect and shall not have been amended, modified or supplemented in any way which would materially and adversely affect the Bonds, except as may have been agreed to in writing by the Remarketing Agent, and there shall be in full force and effect such additional resolutions, agreements, certificates and opinions, which resolutions, agreements, certificates and opinions shall be satisfactory in form and substance to the Remarketing Agent; and

(b) No Event of Default (as such term is defined in the Closing Documents) shall have occurred and be continuing and no event shall have occurred and be continuing which, with the passage of time or giving of notice or both, would constitute such an Event of Default.

Section 7. Fees and Expenses. In consideration of the Remarketing Agent's services under this Remarketing Agreement, the Issuer will pay the Remarketing Agent as Remarketing Agent an annual amount equal to an aggregate of .08% of the aggregate principal amount of Bonds outstanding under the Indenture, payable semiannually in arrears on July 1 and January 1, commencing on January 1, 2004 for the period from June 16, 2003 through December 15, 2003 with respect to the Bonds and computed on the basis of the aggregate principal amount of the Bonds then outstanding. The Issuer also will pay all expenses in connection with the preparation of any Disclosure Statement and will reimburse the Remarketing Agent for all of its direct out-of-pocket expenses incurred by it as Remarketing Agent under this Remarketing Agreement and the Indenture, including counsel fees and disbursements.

Section 8. Dealing in Bonds by Trustee, Liquidity Facility Provider and Remarketing Agent. The Trustee, the Liquidity Facility Provider or the Remarketing Agent, in their respective individual capacity may in good faith buy, sell, own, hold and deal in any of the Bonds, and may join in any action which any Bond owners may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee or the Remarketing Agent, in their respective individual capacities, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer, and may act as depository, trustee, or agent for other obligations of the Issuer as freely as if it did not act in any capacity hereunder.

Section 9. Intention of Parties. It is the intention of the parties hereto that no purchase, sale or transfer of any Bonds, as herein provided and provided in the Indenture, shall constitute or be construed to be extinguishment of any Bonds or the indebtedness represented thereby or the reissuance of any Bonds.

Section 10. Fails. The Remarketing Agent will not be liable to the Issuer, the Trustee, or the Liquidity Facility Provider on account of the failure of any person to whom the Remarketing Agent has sold a Bond to pay for such Bond or to deliver any document in respect of the sale. It is understood and agreed that the Remarketing Agent shall not be obligated to advance its own funds to purchase, or to effect the purchase of, any Bonds.

Section 11. Remarketing Agent's Performance. (a) The duties and obligations of the Remarketing Agent as Remarketing Agent shall be determined solely by the express provisions of this Remarketing Agreement and the Indenture, and the Remarketing Agent shall not be responsible for the performance of any other duties and obligations than as are specifically set forth in this Remarketing Agreement and the Indenture, and no implied covenants or obligations shall be read into this Remarketing Agreement or the Indenture against the Remarketing Agent.

(b) The Remarketing Agent may conclusively rely upon any notice or document given or furnished to the Remarketing Agent and conforming to the requirements of this Remarketing Agreement or the Indenture and shall be protected in acting upon any such notice or document reasonably believed by it to be genuine and to have been given, signed or presented by the proper party or parties.

(c) The Remarketing Agent shall not be liable for any actions taken or omitted to be taken pursuant to this Remarketing Agreement, except for its own gross negligence or willful misconduct.

Section 12. Termination. This Remarketing Agreement will terminate upon the effective resignation or removal of the Remarketing Agent as Remarketing Agent in accordance with the Indenture. The Remarketing Agent will resign as Remarketing Agent under the Remarketing Agreement if requested to do so by the Issuer in writing with 30 days notice and may resign at any time upon 30 days' notice. Following termination each party will pay the other any amounts owing at the time of termination.

Section 13. Contribution. To the extent permitted by law, the Issuer agrees to pay the Remarketing Agent for any loss, liability or expense, including reasonable attorneys' fees incurred by the Remarketing Agent, which arises out of or relates to a breach by the Issuer of its obligations hereunder, where the final determination of liability on the part of the Issuer is established by a court of law or by way of settlement agreed to by the Issuer and Remarketing Agent.

Section 14. Miscellaneous. (a) Except as otherwise provided, any notice or other communication herein required or permitted to be given shall be in writing or by telex or facsimile transmission or by telephone with subsequent written confirmation and may be personally served or sent by United States mail, first class postage prepaid, and shall be deemed to have been given upon receipt by the party notified. For the purposes hereof, the address of the parties (until notice of a change thereof is delivered as provided in this Section 14(a)) shall be as follows:

Remarketing Agent: Raymond James & Associates, Inc.
880 Carillon Parkway, T3-FL3
St. Petersburg, FL 33716
Attention: Kevin M. Schuyler,
Public Finance Department
Fax: (727) 567-8315
Phone: (727) 567-1757

Issuer: Pennsylvania Intergovernmental Cooperation Authority (PICA)
1429 Walnut Street
Philadelphia, PA 19103
Attention: Joseph C. Vignola, Esq.
Fax: (215) 563-2570
Phone: (215) 561-9160

The Remarketing Agent and the Issuer may, by notice given under this Remarketing Agreement, designate other addresses to which notices or other communications shall be directed.

(b) This Remarketing Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. The terms "successors" and "assigns" shall not include any purchaser of any of the Bonds merely because of such purchase.

(c) All of the representations, warranties and applicable covenants made in this Remarketing Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any party hereto, (ii) delivery of and any payment for any Bonds hereunder, or (iii) termination or cancellation of this Remarketing Agreement.

(d) Section headings have been inserted in this Remarketing Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Remarketing Agreement and will not be used in the interpretation of any provisions of this Remarketing Agreement.

(e) If any provision of this Remarketing Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or any other reason, such circumstances shall not have the effect of rendering the provisions in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provisions of this Remarketing Agreement invalid, inoperative or unenforceable to any extent whatsoever.

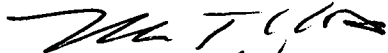
(f) This Remarketing Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(g) The terms of this Remarketing Agreement shall not be waived, altered, modified, amended or supplemented in any manner whatsoever except by written instrument signed by all of the parties hereto.


(h) This Remarketing Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the Remarketing Agent and the Issuer have caused this Remarketing Agreement to be signed in their names by undersigned officers, thereunto duly authorized, all as of the day and year first above written.

RAYMOND JAMES & ASSOCIATES, INC., as Remarketing Agent

By: 
Name: Maureen T. Murphy
Title: V.P. Public Finance
Date: 6/1/03

PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

By: 
Name: Joseph C. Figliola
Title: Executive Director/CEO
Date: June, 2003