

PRICING CERTIFICATE

Re: Floating to Fixed (Synthetic Fixed) Forward Starting
Interest Rate Swaption Agreement

Background: In November 2001 the Pennsylvania Intergovernmental Cooperation Authority (the "Authority") solicited cash bids from potential purchasers of an option to enter an interest rate swap contract with the Authority on June 15, 2006. Bids were submitted on November 16, 2001. The winning bidder was JPMorgan Chase Bank, National Association (formerly known as JPMorgan Chase Bank, "JPMorgan"), which offered a cash payment of \$5,815,000. The option was granted in the form of a Floating to Fixed (Synthetic Fixed) Forward Starting Interest Rate Swaption Agreement (the "Swaption Agreement"), which was entered into by the Authority and JPMorgan on December 6, 2001, at which time JPMorgan paid the Authority \$5,815,000 in accordance with its bid. Investment Management Advisory Group, Inc. served as bidding agent.

JPMorgan has exercised its option, and, therefore, an interest rate swap transaction, as amended and restated (the "Swap Agreement") will become effective today, pursuant to which JPMorgan will make floating rate payments to the Authority at a rate equal to 67% of the "1 Month LIBOR Index", and the Authority will make fixed rate payments to JPMorgan at rates provided for in the Swap Agreement. The fixed rates payable pursuant to the Swap Agreement correspond to the interest rates on certain fixed rate bonds issued by the Authority in 1996, which, it is our understanding, have been redeemed today with the proceeds of floating rate refunding bonds in a current refunding. The refunding bonds will be weekly tender floating rate bonds insured by Ambac Assurance Corporation.

The Authority has requested this Certificate to assist it in determining the yield on the refunding bonds, which the Authority will treat as "integrated" with the Swap Agreement for federal tax purposes under section 148 of the Internal Revenue Code.

Certification. Our best estimate, in light of the passage of time, is that 4.37% would have been the fixed rate that would have been quoted to other persons, if any, to enter into a reasonably comparable bilateral forward starting interest rate swap with a trade date of November 16, 2001 and an effective date of June 15, 2006, if any, taking into full account the other terms and conditions of the Swap Agreement, and with an entity similarly situated to the Authority, including taxable business corporations and other tax exempt issuers, if any, taking into full account the security and sources of payment provided for the payments to JPMorgan, the risk profile of such an entity, structuring and other terms under the Swap Agreement.

In making this certification, we have assumed that all other terms were as provided in the Swap Agreement.

JPMorgan was requested to provide this certificate for purposes of the Authority's computation of yield on the refunding bonds and does not modify or interpret the Swap Agreement in any respect. JPMorgan makes no representations as to the legal sufficiency of the information set forth in this certificate for purposes of complying with the Internal Revenue Code of 1986, any Treasury Regulation or for any other purpose.

JP MORGAN CHASE BANK, NATIONAL
ASSOCIATION

Dated as of: June 15, 2006

By: 

Nancy Douglas Fadden
Title: Managing Director