
**THIRD SUPPLEMENT TO THE AMENDED AND
RESTATED INDENTURE OF TRUST**

between

PENNSYLVANIA INTERGOVERNMENTAL
COOPERATION AUTHORITY

and

WACHOVIA BANK, NATIONAL ASSOCIATION, as Trustee

Dated as of June 1, 2003

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	AUTHORITY AND DEFINITIONS..... 4
SECTION 101	SUPPLEMENTAL INDENTURE OF TRUST4
SECTION 102	AUTHORITY FOR THIS THIRD SUPPLEMENT TO THE AMENDED AND RESTATED INDENTURE.....4
SECTION 103	DEFINITIONS4
ARTICLE II	ISSUANCE OF AND INTEREST ON THE 2003 BONDS 12
SECTION 201.	ISSUANCE OF BONDS 12
SECTION 202.	INITIAL INTEREST RATES; SUBSEQUENT RATES; RATE PERIODS..... 14
SECTION 203.	VARIABLE RATES; CONVERSIONS TO VARIABLE RATE PERIODS..... 15
SECTION 204.	FLEXIBLE RATES; CONVERSIONS TO FLEXIBLE RATE PERIODS..... 18
SECTION 205.	FIXED RATE CONVERSION AT OPTION OF THE AUTHORITY 19
SECTION 206.	CERTAIN CHANGES IN TERM RATE PERIOD NOT A CONVERSION 21
SECTION 207.	BOOK ENTRY SYSTEM 21
SECTION 208.	DELIVERY OF THE 2003 BONDS AND DISPOSITION OF PROCEEDS THEREOF. 23
ARTICLE III	TENDER AND PURCHASE OF BONDS 25
SECTION 301.	OPTIONAL TENDERS DURING VARIABLE RATE PERIODS 25
SECTION 302.	TENDERS DURING FLEXIBLE RATE PERIODS 30
SECTION 303.	MANDATORY TENDER UPON CONVERSIONS AMONG VARIABLE RATE PERIODS AND FLEXIBLE RATE PERIODS 32
SECTION 304.	MANDATORY TENDER UPON FIXED RATE CONVERSION OR SUBSTITUTION OR TERMINATION OF LIQUIDITY FACILITY 33
SECTION 305.	FAILED CONVERSION 35
SECTION 306.	INADEQUATE FUNDS FOR TENDERS 36
SECTION 307.	LIMITS UPON REMARKETING 36
SECTION 308.	BOND PURCHASE FUND 36
SECTION 309.	NON-PRESENTMENT OF TENDERED BONDS 37
SECTION 310.	LIQUIDITY FACILITY 37
ARTICLE IV	REDEMPTION OF BONDS 42
SECTION 401.	REDEMPTION DATES AND PRICES 42
SECTION 402.	NOTICE OF REDEMPTION 45
SECTION 403.	SELECTION OF BONDS TO BE REDEEMED 46
ARTICLE V	THE TENDER AGENT AND REMARKETING AGENT 47
SECTION 501.	TENDER AGENT 47
SECTION 502.	REMARKETING AGENT 48
SECTION 503.	QUALIFICATIONS OF REMARKETING AGENT 49
ARTICLE VI	REVENUES AND FUNDS 50
SECTION 601.	DEBT SERVICE FUND 50
SECTION 602.	PAYMENT UNDER THE 2003 BONDS SWAP 52
ARTICLE VII	AMENDMENT OF INDENTURE 54
SECTION 701.	AMENDMENT OF SECTION 2.11 54
SECTION 702.	AMENDMENT OF SECTION 4.12 54
SECTION 703.	AMENDMENT OF SECTION 5.05 55

SECTION 704.	AMENDMENT OF ARTICLE VII.....	55
SECTION 705.	AMENDMENT OF SECTION 8.01.....	56
SECTION 706.	AMENDMENT OF SECTION 8.09.....	56
SECTION 707.	AMENDMENT OF SECTION 10.01.....	56
SECTION 708.	AMENDMENT OF SECTION 10.02.....	57
SECTION 709.	AMENDMENT OF SECTION 11.07.....	57
SECTION 710.	AMENDMENT OF SECTION 11.10.....	58
SECTION 711.	AMENDMENT OF ARTICLE I.....	59
SECTION 712.	AMENDMENT OF SECTION 4.02.....	61
SECTION 713.	AMENDMENT OF SECTION 10.05.....	61
ARTICLE VIII	INDENTURE TO REMAIN IN EFFECT; MISCELLANEOUS.....	62
SECTION 801.	INDENTURE TO REMAIN IN EFFECT.....	62
SECTION 802	COUNTERPARTS.....	62
SECTION 803	GOVERNING LAW.....	62
SECTION 804	CAPTIONS.....	62

EXHIBIT A – Form of Bond

EXHIBIT B – Interest Rate Swap Transaction documents

THIRD SUPPLEMENT TO THE AMENDED AND RESTATED INDENTURE OF TRUST

THIS THIRD SUPPLEMENT TO THE AMENDED AND RESTATED INDENTURE OF TRUST, dated as of June 1, 2003, between 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 under and by virtue of the Constitution and laws of the Commonwealth of Pennsylvania, and **WACHOVIA BANK, NATIONAL ASSOCIATION**, a national banking association organized under the laws of the United States, as successor Trustee under the Indenture,

WITNESSETH:

WHEREAS, the Authority is authorized and empowered 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 (as such Act may be further amended from time to time, the "**Act**"), to issue its bonds in accordance with the Act for various purposes, including, without limitation, providing financial assistance to a city of the first class to finance a deficit other than a cash flow deficit, to finance capital projects and to otherwise assist such a city and to refund outstanding indebtedness of the Authority; and

WHEREAS, the Authority and CoreStates Bank, N.A. as trustee (the "**Initial Trustee**") entered into an Indenture of Trust, dated as of June 1, 1992 (the "**Original Indenture**"), to provide for the issuance and securing of Bonds (as defined in the Original Indenture); and

WHEREAS, the Authority and the Initial Trustee entered into a First Supplemental Indenture of Trust dated as of June 22, 1992 amending certain provisions of the Original Indenture (the Original Indenture as so amended is referred to herein as the "**Amended Indenture**"); and

WHEREAS, Meridian Bank succeeded the Initial Trustee as trustee under the Amended Indenture; and

WHEREAS, the Authority and Meridian Bank, as trustee, entered into a Second Supplemental Indenture of Trust dated as of July 15, 1993 (the "**Second Supplemental Indenture**") amending and supplementing the Amended Indenture; and

WHEREAS, the Authority and Meridian Bank, as trustee, entered into a Third Supplemental Indenture of Trust dated as of August 15, 1993 (the "**Third Supplemental Indenture**") amending and supplementing the Amended Indenture; and

WHEREAS, pursuant to the Third Supplemental Indenture, 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**") for the purpose of refunding certain Bonds issued by the Authority in 1992; and

WHEREAS, the Authority amended and restated the Amended Indenture, as amended and supplemented by the Second Supplemental Indenture and the Third Supplemental Indenture, pursuant to an Amended and Restated Indenture of Trust dated as of December 1, 1994 (the "**Amended and Restated Indenture**") between the Authority and Meridian Bank, as Trustee, in order to, inter alia, incorporate in one document all of the provisions thereof, and to issue its Special Tax Revenue Bonds (City of Philadelphia Funding Program), Series of 1994 (the "**1994 Bonds**") in order to pay costs of certain capital projects; and

WHEREAS, pursuant to the First Supplement to the Amended and Restated Indenture dated as of May 15, 1996 (the "**First Supplement to the Amended and Restated Indenture**") between the Authority and Meridian Bank, as Trustee, 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**") in order to (i) pay the costs of advance refunding certain Bonds issued by the Authority in 1992 and 1994, and (ii) pay the costs of issuing such Additional Bonds; and

WHEREAS, First Union National Bank succeeded Meridian Bank as Trustee under the Amended and Restated Indenture; and

WHEREAS, pursuant to the Second Supplement to the Amended and Restated Indenture dated as of April 1, 1999 (the "**Second Supplement to the Amended and Restated Indenture**," and together with the Amended and Restated Indenture and the First Supplement to the Amended and Restated Indenture, the "**Existing Indenture**") between the Authority and First Union National Bank, as Trustee, 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**") for the purpose of financing, together with other available funds, (i) the costs of advance refunding certain Bonds issued by the Authority in 1993, (ii) a Credit Facility to satisfy the Debt Service Reserve Requirement, and (iii) the costs of issuing such Additional Bonds and of obtaining credit enhancement for the Bonds (the "**1999 Refunding**"); and

WHEREAS, Wachovia Bank, National Association succeeded First Union National Bank as Trustee under the Existing Indenture; and

WHEREAS, the Authority has determined to issue Additional Bonds to (i) pay the costs of current refunding the outstanding 1993A Bonds, and (ii) pay the costs of issuing such Additional Bonds and of obtaining credit enhancement for the 2003 Bonds (the "**2003 Refunding**"); and

WHEREAS, by Resolutions adopted on March 24, 2003, the Authority determined to issue and sell its Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program), Series of 2003 (the "**2003 Bonds**") for the purpose of financing, together with other available funds, the 2003 Refunding pursuant to the terms of this Third Supplement to the Amended and Restated Indenture (the "**Third Supplement to the Amended and Restated Indenture**," and together with the Existing Indenture, the "**Indenture**"); and

WHEREAS, the Authority has entered into a Standby Bond Purchase Agreement dated as of June 1, 2003 (the "**Standby Agreement**") with JPMorgan Chase Bank (the "**Initial Bank**") pursuant to which the Bank has agreed to pay to the Trustee the purchase price of Bonds which are tendered for optional or mandatory purchase pursuant to Article III of this Third Supplement to the Amended and Restated Indenture which have not been successfully remarketed. The Liquidity Facility expires on June 14, 2004, subject to termination or extension as provided therein and herein; and

WHEREAS, the 2003 Bonds are to be substantially in the form attached hereto as Exhibit A; and

WHEREAS, in order to accomplish the current refunding of the outstanding 1993A Bonds, the Authority shall direct the Trustee to deposit into the 1993A Bonds account of the Debt Service Fund proceeds of the 2003 Bonds in an amount which, when added to certain funds held by the Trustee for the benefit of the 1993A Bonds, and the investment earnings thereon, will be sufficient to (a) pay the maturing principal of and interest on the 1993A Bonds through and including June 15, 2003, and to pay on June 16, 2003, the redemption price of all outstanding 1993A Bonds, all of which will be called for redemption on June 15, 2003; and

WHEREAS, the execution and delivery of this Third Supplement to the Amended and Restated Indenture and the 2003 Bonds have been duly authorized and all things necessary to make the 2003 Bonds, when executed by the Authority and authenticated by the Trustee, valid and binding legal obligations of the Authority and to make this Third Supplement to the Amended and Restated Indenture of Trust a valid and binding agreement have been done.

NOW, THEREFORE, THIS THIRD SUPPLEMENT TO THE AMENDED AND RESTATED INDENTURE WITNESSETH:

That, in order to secure the principal of and interest and premium, if any, on the 2003 Bonds issued hereunder according to their tenor and effect and to secure the performance and observance by the Authority of all the covenants and conditions contained herein and in the Existing Indenture and to declare the terms and conditions upon and subject to which the 2003 Bonds are issued and secured, and for and in consideration of the mutual covenants contained herein and in the Existing Indenture, the Authority and the Trustee are entering into this Third Supplement to the Amended and Restated Indenture of Trust, which shall be deemed to be and shall constitute a contract between the Authority and the Holders from time to time of the 2003 Bonds.

ARTICLE I AUTHORITY AND DEFINITIONS

SECTION 101 SUPPLEMENTAL INDENTURE OF TRUST

This Third Supplement to the Amended and Restated Indenture is supplemental to the Existing Indenture.

SECTION 102 AUTHORITY FOR THIS THIRD SUPPLEMENT TO THE AMENDED AND RESTATED INDENTURE

This Third Supplement to the Amended and Restated Indenture is adopted (i) pursuant to the provisions of the Act and (ii) in accordance with Article X of the Amended and Restated Indenture.

SECTION 103 DEFINITIONS

(a) Except as provided in this Third Supplement to the Amended and Restated Indenture, all terms which are defined in Article I of the Amended and Restated Indenture, as supplemented and amended by the First Supplement to the Amended and Restated Indenture and the Second Supplement to the Amended and Restated Indenture, shall have the same meanings, respectively, in this Third Supplement to the Amended and Restated Indenture as are given to such terms in said Article I of the Amended and Restated Indenture, as supplemented and amended by the First Supplement to the Amended and Restated Indenture and the Second Supplement to the Amended and Restated Indenture.

(b) Article I of the Amended and Restated Indenture, as supplemented and amended by the First Supplement to the Amended and Restated Indenture and the Second Supplement to the Amended and Restated Indenture, is hereby amended by amending certain definitions contained in the Existing Indenture with respect to the 2003 Bonds and by adding the following definitions with respect to the 2003 Bonds:

"Affiliate" means any person or company directly or indirectly controlling, controlled by or under common control with the Authority.

"Alternate Liquidity Facility" means a Liquidity Facility provided in accordance with Section 310 hereof (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 this 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.

"Authority Bonds" means any 2003 Bonds of which ownership is registered in the name of the Authority or any Affiliate, other than Bank Bonds.

"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).

"Bond Insurance Policy" means, with respect to the 2003 Bonds, the municipal bond new issue insurance policy issued by the Bond Insurer for the 2003 Bonds that guarantees payment of principal of and interest on the 2003 Bonds.

"Bond Insurer" means, with respect to the 2003 Bonds, Ambac Assurance Corporation, or any successor thereto.

"Bond Purchase Fund" means the trust fund so designated which is created and established pursuant to Section 308 hereof.

"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, the Bond Insurer 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.

"DTC" means The Depository Trust Company (a limited purpose trust company), New York, New York.

"Favorable Opinion" means an opinion of nationally recognized bond counsel addressed to the Authority and the Trustee to the effect that (i) the action proposed to be taken is authorized or permitted by the Act and the Indenture and (ii) such action will not adversely

affect the exclusion from gross income of interest on the 2003 Bonds for purposes of federal income taxation.

"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, telecopier or email 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 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) hereof 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) hereof. 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 (15th) 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, and
 - (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,
- (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) hereof, "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) hereof.

"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.

"Outstanding", "Bonds outstanding" or "outstanding Bonds" means, with respect to the 2003 Bonds, as of any given date, all 2003 Bonds which have been duly authenticated and delivered under the Indenture, except:

(a) 2003 Bonds canceled after purchase in the open market or because of payment at or redemption prior to the Maturity Date;

(b) 2003 Bonds for the payment or redemption of which cash or Government Obligations shall have been theretofore deposited with the Trustee (whether upon or prior to the Maturity Date or redemption date of any such 2003 Bonds) in accordance with Article VII of the Amended and Restated Indenture, as amended by Section 704 of this Third Supplement to the Amended and Restated Indenture; provided that if such Bonds are to be redeemed prior to the Maturity Date thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee;

(c) 2003 Bonds in lieu of which others have been authenticated under Section 207 or 208 of the Amended and Restated Indenture;

(d) after any Optional Tender Date, any Bond for which a Tender Notice was given in accordance with Section 301 of this Third Supplement to the Amended and Restated Indenture and which was not so tendered;

(e) after any Mandatory Tender Date, any 2003 Bond which was required to be tendered on such a Mandatory Tender Date in accordance with Sections 302, 303 or 304 of this Third Supplement to the Amended and Restated Indenture and which was not so tendered; and

(f) after the Fixed Rate Conversion Date, for the purpose of all consents, approvals, waivers and notices required to be obtained or given under this Third Supplement to the Amended and Restated Indenture, 2003 Bonds held or owned by the Authority or any Affiliate thereof.

"Principal Office" means, with respect to the 2003 Bonds, (i) the corporate trust office of the Trustee responsible for the administration of this Third Supplement to the Amended and Restated Indenture, as designated in Section 11.07 of the Amended and Restated Indenture, as amended by Section 709 hereof, and (ii) the respective offices of the Bank, the Tender Agent and the Remarketing Agent designated to receive notices required by this Third Supplement to the Amended and Restated Indenture, as set forth in Section 709 hereof.

"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 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 as provided in Section 502 hereof.

"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) hereof;
- (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 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 hereof 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 (15th) 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 (15th) 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.

ARTICLE II ISSUANCE OF AND INTEREST ON THE 2003 BONDS

SECTION 201. ISSUANCE OF BONDS

(a) The 2003 Bonds shall be designated "Pennsylvania Intergovernmental Cooperation Authority Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program), Series of 2003" and shall be issued in the aggregate principal amount of \$165,550,000. The 2003 Bonds shall be issuable as fully registered Bonds in Authorized Denominations. Unless the Authority shall otherwise direct, the 2003 Bonds shall be numbered from R-1 upward. Interest on the 2003 Bonds shall be payable on each Interest Payment Date. Each Bond shall be dated as of the most recent Interest Payment Date to which interest has been duly paid or provided for next preceding its date of issue, unless issued on an Interest Payment Date on which interest has been paid or provided for, in which event it shall be dated as of such Interest Payment Date or, if issued prior to the first Interest Payment Date on which interest is paid, it shall be dated the date of initial issuance of the 2003 Bonds.

(b) The 2003 Bonds shall mature on June 15, 2022.

(c) 2003 Bonds issued prior to the first Interest Payment Date shall bear interest from the date of original issuance and delivery thereof. Thereafter, 2003 Bonds shall bear interest from and including the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication shall be an Interest Payment Date to which interest on the 2003 Bonds has been paid in full or duly provided for, in which case they shall bear interest from and including such date of authentication. 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.

(d) By acceptance of any 2003 Bond, the registered owner thereof shall be deemed to have agreed, during a Flexible Rate Period, to the Flexible Rate, Interest Period and Repurchase Date then applicable thereto and to have further agreed to sell such Bond to the Tender Agent on the Repurchase Date applicable thereto at the Repurchase Price. Such registered owner by such acceptance shall be deemed to have acknowledged that if funds for such purchase are on deposit with the Trustee or the Tender Agent on such Repurchase Date, such registered owner shall have no rights under the Indenture other than to receive the Repurchase Price and such Bonds shall no longer be considered to be Outstanding Bonds (pursuant to paragraph (e) of the definition of such term in Section 103 hereof) for purposes of this Third Supplement to the Amended and Restated Indenture.

(e) 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, 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 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 tenth (10th) day next preceding 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 Bond, as provided in Article V hereof.

(f) Interest payments on a 2003 Bond (other than with respect to defaulted interest) shall be made to the registered owner thereof appearing on the Bond Register as of the close of business of the 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 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 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 Bond Register in accordance with the provisions of Section 2.03 of the Amended and Restated Indenture.

(g) During any Variable Rate Period other than a Term Rate Period, the Trustee agrees to provide through the Tender Agent upon request to the Tender Agent by any Bondholder an oral statement as to the Variable Rates in effect since the most recent preceding Interest Payment Date and to mail on each Interest Payment Date occurring during a Variable Rate Period to each Bondholder written notice of the Variable Rates in effect since the last preceding Interest Payment Date.

(h) The 2003 Bonds shall be substantially in the form hereinafter set forth with such appropriate variations, omissions and insertions as are permitted or required by the Indenture or deemed necessary by the Trustee and the Authority. On each date on which the Trustee or the Tender Agent authenticates and delivers 2003 Bonds during a Flexible Rate Period applicable to such 2003 Bonds as provided in Section 204 hereof, the Trustee or the Tender Agent shall complete the information required in the form of 2003 Bond attached as Exhibit A hereto for the purpose of maintaining an accurate record of the terms and provisions of the Interest Period then applicable to such 2003 Bond. During the period the 2003 Bonds are

maintained in book-entry form pursuant to Section 207 hereof, the Trustee may instead maintain such information on its books and records and make the same available electronically to DTC.

SECTION 202. INITIAL INTEREST RATES; SUBSEQUENT RATES; RATE PERIODS

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 Conversion Date. The initial Variable Rate and initial Weekly Rate Period shall be set forth in the purchase contract entered into between the Authority and the initial purchaser of the 2003 Bonds. 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 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) hereof. 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 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.

Conversions. In connection with any conversion to or from a Variable Rate Period or a Flexible Rate Period or a conversion to a Fixed Rate Period, in addition to the other conditions to conversion set forth in this Third Supplement to the Amended and Restated Indenture, the Trustee must have received written evidence from each Rating Agency then maintaining a rating on the 2003 Bonds that such rating will not be reduced or withdrawn due to such conversion (other than a withdrawal of a short term rating upon a remarketing into a Fixed Rate Period) and the Remarketing Agent shall have received firm commitments for the purchase of all 2003 Bonds being converted to bear interest in such new rate period on or before such Conversion Date.

In connection with any conversion to a Term Rate Period or to a Fixed Rate Period, in addition to the other conditions to conversion set forth in this Third Supplement to the Amended and Restated Indenture, the Authority must either provide the Trustee, the Bank, the Bond Insurer and the Remarketing Agent with an opinion of Bond Counsel stating that Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission provides an exemption with respect to the 2003 Bonds or enter into a written undertaking at the time of such conversion covenanting to provide continuing information with respect to the 2003 Bonds required by the Rule.

SECTION 203. VARIABLE RATES; CONVERSIONS TO VARIABLE RATE PERIODS

(a) 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: (A) given by Immediate Notice by the Remarketing Agent to the Tender Agent not later than 12:00 noon, New York City time, on the date of determination for each Daily and Weekly Rate Period and not later than 12:00 noon New York City time, on the Business Day immediately succeeding the date of determination for each Term Rate Period; (B) given by Immediate Notice not later than 5:00 p.m., New York City time for each Daily and Weekly Rate Period, in each case on the date of determination, and by 12:00 noon, New York City time, on the Business Day immediately succeeding the date of determination for each Term Rate Period, by the Tender Agent to the Trustee and the Authority, and, during Term Rate Periods, by first class mail postage prepaid on the third Business Day immediately succeeding the date of determination by the Tender Agent to the holders of the 2003 Bonds; and (C) 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. (or a replacement publisher of the BMA Municipal Swap Index designated in writing by the Authority to the Trustee and the Remarketing Agent; provided that if Munifacts Wire System, Inc. or such replacement publisher does not publish the BMA Municipal Swap Index on a day on which a Variable Rate is to be set, the Variable Rate shall be 135% of a comparable index selected by the Authority published by Munifacts Wire System, Inc. or such replacement publisher at such time (such alternate index being referred to herein as a "Alternate Index")) 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 (or an Alternate Index) 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

