
PENNSYLVANIA HOUSING FINANCE AGENCY

AND

**THE PHILADELPHIA NATIONAL BANK,
as Trustee**

SUPPLEMENTAL INDENTURE OF TRUST

Dated as of October 1, 1987

SUPPLEMENTAL INDENTURE OF TRUST

This Supplemental Indenture of Trust, made and dated as of the 1st day of October, 1987, by and between the Pennsylvania Housing Finance Agency ("Agency") and The Philadelphia National Bank as Trustee ("Trustee"):

WITNESSETH THAT

WHEREAS, the Agency and the Trustee entered into an Indenture of Trust made and dated as of the 1st day of April, 1982 (the "Original Indenture") pursuant to which the Agency has issued its Single Family Mortgage Revenue Bonds; and

WHEREAS, such Original Indenture was amended pursuant to a Resolution of the Agency on October 27, 1983, and pursuant to Supplemental Indentures made and dated as of June 15, 1984; April 1, 1985; July 1, 1985 and October 1, 1985, which Supplemental Indentures were all restated in a Supplemental Indenture, dated as of June 1, 1986; and

WHEREAS, such Original Indenture as further amended by Supplemental Indenture made and dated as of June 1, 1987; and

WHEREAS, by a resolution adopted October 8, 1987 (the "Resolution"), the Agency authorized the issuance of \$25,600,000 aggregate principal amount Single Family Mortgage Revenue Bonds, Series P (the "Series P Bonds") and \$50,000,000 aggregate principal amount Single Family Mortgage Revenue Bonds, Series Q (the "Series Q Bonds"); and

WHEREAS, the Agency, the Trustee and Paine Webber Incorporated, as Remarketing Agent (the "Series P and Q Remarketing Agent") shall enter into a Remarketing Agreement, dated as of October 1, 1987 (the "Series P and Q Remarketing Agreement"), pursuant to which the Series P and Series Q Bonds shall be remarketed on each Tender Date (as defined in the Resolution); and

WHEREAS, Section 801 and 802 of the Original Indenture provide that a Supplemental Indenture may be entered into for the purposes described below.

NOW, THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS:

Section 1. Definitions. Unless expressly given different meanings hereunder or in the recitals hereto, or the context clearly requires otherwise, all capitalized words or phrases used herein shall have the meanings assigned to them in the Original Indenture, as heretofore supplemented and amended.

Section 2. The Trustee hereby acknowledges the terms and provisions of the Resolution, and the Agency hereby authorizes and directs the Trustee to perform any and all acts contemplated pursuant to the terms and provisions thereof.

Section 3. Letters of Representation. Section 1115 of the Original Indenture, as amended and supplemented, is hereby amended by adding the following new paragraph to the end thereof:

"In connection with the book-entry registration of the Series P and Series Q Bonds through Depository Trust Company ("DTC"), the Trustee is authorized and directed to sign two Letters of Representation to DTC, which are attached hereto as Exhibit A, and the obligations and rights of the Trustee as set forth therein are incorporated herein by reference. In the event DTC determines to discontinue providing its services with respect to the Series P Bonds and/or the Series Q Bonds or the Agency determines to discontinue such services, the Agency shall provide the Trustee with written notice of such discontinuance and will supply the Trustee with forms of Bonds necessary for the Trustee to discharge its duties hereunder, and the Trustee shall have no obligation to act with respect to the issuance of exchange of bonds until after a reasonable period following receipt of such necessary forms of Bonds from the Agency."

Section 4. Record Date-Series P Bonds and Series Q Bonds. Section 301 of the Original Indenture is hereby amended by adding the following new subsection to the end thereof;

F. Following the exercise by the Agency of its Long Term Option (as defined in the Resolution) with respect to the Series P Bonds, the Record Date for the Series P Bonds shall be the 15th day of the month next preceding an Interest Payment Date.

G Following the exercise by the Agency of its Long Term Option (as defined in the Resolution) with respect to the Series Q Bonds, the Record Date for the Series Q Bonds shall be the 15th day of the month next preceding an Interest Payment Date.

Section 5. Series P and Q Remarketing Agreement. The Agency hereby authorizes and directs the Trustee to execute the Series P and Q Remarketing Agreement and to perform all its obligations under the provisions thereof.

Section 6. Series P and Series Q Bonds - Option - Tender Notice. In the event that the Agency exercises one or more of its Options (as defined in the Resolution), including the Short Term Option, the Long-Term Option, or the Redemption Option, the Agency shall give prior written notice to the Trustee specifying which of the Options it is exercising and directing the Trustee to take whatever action is necessary to put such Options into effect, including the mailing of any Tender Notice which shall be in form and substance as provided by the Agency.

Section 7. Confirmation. Except as amended and supplemented by this Supplemental Indenture and earlier Supplemental Indentures, the Original Indenture is hereby ratified and confirmed in all respects and made applicable in all respects to the Bonds, the holders thereof and the security therefor. The Original Indenture, as heretofore supplemented, and this Supplemental Indenture shall be read, taken and construed as one in the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture of Trust to be executed in their respective names by duly authorized officers and to be dated as of the first day of October, 1987.

[SEAL]

ATTEST:

By /s/ Carrie Barnes
Secretary

PENNSYLVANIA HOUSING
FINANCE AGENCY

By /s/ Karl Smith
Executive Director

[SEAL]

ATTEST:

By /s/Richard H. Rau
Authorized Officer

THE PHILADELPHIA NATIONAL
BANK

By /s/Celeste Aylward
Authorized Officer