

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

C. ALAN WALKER, in his capacity as :
Secretary for the Department of :
Community and Economic Development : No. 569 M.D. 2011

Petitioner, :

v. :

CITY OF HARRISBURG :

Respondent :

ORDER

AND NOW, this 25th day of February, 2014, upon consideration of Petitioner's APPLICATION TO VACATE THE RECEIVERSHIP FOR THE CITY OF HARRISBURG AND AUTHORIZE ONGOING IMPLEMENTATION OF THE HARRISBURG STRONG FISCAL RECOVERY PLAN BY A COORDINATOR IN ACCORDANCE WITH SECTION 221 OF ACT 47 (the "Application"), the Court hereby finds as follows:

1. On Petition of the Secretary of Community and Economic Development, this Court on December 2, 2011, declared the City of Harrisburg ("City") to be in receivership pursuant to Section 702(e)(2) of Act 47, 53 P.S. § 11701.702(e)(2), and immediately appointed a receiver.

2. By Order entered May 24, 2012, this Court found Major General William B. Lynch, USAF, Ret., to be qualified to serve as the Receiver for the City to fill a vacancy in that office, and on recommendation of the Secretary appointed Gen. Lynch to serve as Receiver.

3. By Order entered September 23, 2013, acting pursuant to Section 703(e) of Act 47, 53 P.S. § 11701.703(e), this Court confirmed the modified recovery plan, titled the "Harrisburg Strong Plan," that had been submitted by the Receiver.

4. Critical components of the Receiver's Harrisburg Strong Plan ("Strong Plan"), namely the successful closing and funding of the monetizations of the City's incinerator and parking system, have been completed and the statutory criteria for the existence of a fiscal emergency have been abated.

5. The Secretary of the Department of Community and Economic Development has certified, and all parties to this proceeding agree, that (a) the City of Harrisburg is no longer subject to the financial distress that is prerequisite to the existence of a fiscal emergency as defined in Section 602(a) of Act 47 and the imposition of a receivership pursuant to Section 702(d)(3) of Act 47; (b) the fiscal emergency that jeopardized the health, safety and welfare of the citizens of the City of Harrisburg has ended; (c) the Receiver for the City of Harrisburg is no longer necessary and vital to the ongoing effective implementation of the

Harrisburg Strong Plan in the absence of a fiscal emergency; and (d) Frederick Reddig is qualified to serve as the Coordinator for the City of Harrisburg to oversee the continued implementation of the Harrisburg Strong Plan.

6. Accordingly, the Receiver is no longer vital and necessary to successful implementation of the remaining components of the Strong Plan in the absence of a fiscal emergency, and those remaining components can be successfully implemented by a Coordinator appointed by the Secretary pursuant to Section 221 of Act 47.

For the foregoing reasons, the Application of the Secretary of DCED is hereby **GRANTED**. It is hereby **ORDERED AND DECREED** as follows:

1. The receivership of the City of Harrisburg is hereby **TERMINATED** effective March 1, 2014. The Harrisburg Strong Plan shall remain in full force and effect.

2. Ongoing implementation of the Harrisburg Strong Plan by a Coordinator appointed by the Secretary of DCED in accordance with Section 221 of Act 47 is hereby **AUTHORIZED AND DIRECTED** commencing March 1, 2014.

3. Jurisdiction over the enforcement of this Court's Order of September 23, 2013, confirming the provisions of the Harrisburg Strong Plan, and any

subsequent modifications to the Plan, is hereby expressly **RETAINED** by this Court.

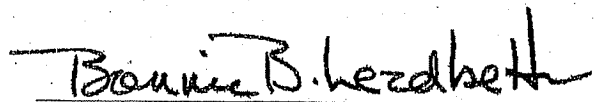
4. The effect of this Court's confirmation of the Harrisburg Strong Plan by its Order of September 23, 2013 and the Orders dated December 20, 2013 approving Amended and Supplemental Exhibits to the Recovery Plan shall continue to have the same force and effect as prescribed by Section 704 of Act 47, notwithstanding the granting of the relief requested in the Secretary's Application, and shall continue to bind all those subject to or obligated by the provisions of the Plan.

5. The Coordinator is the successor to the Receiver for all purposes relating to the Harrisburg Strong Plan and agreements attendant thereto. As successor to the Receiver, the Coordinator is **AUTHORIZED AND DIRECTED**, as contemplated by the Plan's provisions, to perform all functions and responsibilities in the Harrisburg Strong Plan otherwise designated for performance by the Receiver, including, without limitation, to pursue certain claims for the benefit of the City and creditors and to carry out all obligations of the Receiver under the settlement agreements by and among Assured Guaranty Municipal Corporation, the Receiver, and any other constituent parties to the Harrisburg Strong Plan, as well as all functions and responsibilities that are otherwise reposed in the Receiver under Parts Seven and Nine of the Plan.

6. The Coordinator is further **AUTHORIZED AND DIRECTED** to seek enforcement of the Order confirming the Harrisburg Strong Fiscal Recovery Plan in the event any instance of non-compliance with the Plan's provisions should arise during implementation, including but not limited to seeking orders of mandamus from this Court against persons or entities who fail to comply with their obligations under the Recovery Plan. Likewise, the City of Harrisburg is expressly **AUTHORIZED** to seek injunctive relief against the Coordinator for any actions contrary to the Plan or Act 47, if necessary.

Nothing in this Order is intended to diminish the rights of parties to seek enforcement of obligations due them under the approved Plan by proper application to this Court for appropriate relief.

BY THE COURT:


BONNIE BRIGANCE LEADBETTER, J.

Certified from the Record

FEB 25 2014

And Order Exit