

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

C. Alan Walker, in his capacity as
Secretary for the Department of
Community and Economic
Development,

Petitioner,

v.

City of Harrisburg,

Respondent

No. 569 M.D. 2011

**NOTICE OF FILING OF CERTAIN ADDITIONAL SUPPLEMENTAL
EXHIBITS TO MODIFIED RECOVERY PLAN AND REQUEST FOR
APPROVAL AND FINDING OF EFFICACY OF PLAN DOCUMENTS**

On August 26, 2013, William B. Lynch, in his capacity as the receiver for the City of Harrisburg, Pennsylvania (together with any predecessor or successor thereof, the “**Receiver**”), caused to be filed with the Court in the above-styled action the modified recovery plan for the City of Harrisburg (the “**Harrisburg Strong Plan**” or “**Plan**”) and also caused to be filed certain exhibits to the Plan (collectively referred to as the “**Strong Plan Exhibit Book**”). Thereafter, on September 19, 2013, the Receiver filed certain amended and supplemental exhibits to the Plan (the “**First Supplemental Plan Documents**”). On December 18, 2013,

the Receiver filed certain additional supplemental exhibits to the Plan (the “**Second Supplemental Plan Documents**”). Thereafter, the Receiver caused to be filed certain additional supplemental exhibits to the Harrisburg Strong Plan (the “**Third Supplemental Plan Documents**”).

NOTICE IS HEREBY GIVEN that, through counsel, the Receiver hereby causes to be filed certain further additional supplemental exhibits to the Harrisburg Strong Plan, more fully identified below (the “**Fourth Supplemental Plan Documents**”). The documents and agreements submitted as part of the Strong Plan Exhibit Book, the First Supplemental Plan Documents, the Second Supplemental Plan Documents, the Third Supplemental Plan Documents and the Fourth Supplemental Plan Documents may collectively be referred to herein as the “**Plan Documents.**”¹

In addition, in recognition and furtherance of this Court’s September 23, 2013 Order (“**Plan Approval Order**”) confirming the Plan, which approves the various key components of the Plan and provides, among other things, that the Receiver and/or the City of Harrisburg (“**City**”), including all elected and appointed officials, as applicable, are “authorized and required to take action

¹¹Additional agreements in furtherance of the Plan will be submitted to the Court in the near term.

necessary to effectuate” the various key components of the Plan, “including, without limitation and as applicable, finalizing and executing any relevant agreements, resolutions, ordinances and any other necessary documentation”, Plan Approval Order at e.g. pp. 7-8, ¶¶ C-F, the Receiver respectfully asks the Court to approve the Fourth Supplemental Plan Documents, as executed and submitted to the Court, as compliant with and in furtherance of the Plan and to affirm the force and effect of the Fourth Supplemental Plan Documents as executed. A proposed form of order approving this request is attached hereto as **Exhibit A**.

The Fourth Supplemental Plan Documents are more specifically identified as follows:

A. **Jordan Contracting Settlement Agreement.** Jordan Contracting (“**Jordan**”) has asserted a claim for certain contractual services in conjunction with the completion of the retrofit of the Incinerator.² A settlement of this claim has been reached, the terms of which are memorialized in a written settlement agreement (the “**Jordan Settlement Agreement**”). The Jordan Settlement Agreement is attached hereto as **Exhibit 26**. It shall be incorporated as **Exhibit 26** to the Harrisburg Strong Plan and included as **Exhibit 26** to the Strong Plan Exhibit Book. The

² Capitalized terms not defined herein shall have the meaning ascribed to such terms in the Plan.

Jordan Contracting Settlement Agreement is submitted pursuant to Part Six, Section C.2.c of the Plan.

B. **Bradley-Scocchetti Settlement Agreement.** Bradley-Scocchetti, Inc. (“**Bradley-Scocchetti**”) has asserted a claim for certain contractual services in conjunction with the completion of the retrofit of the Incinerator. A settlement of this claim has been reached, the terms of which are memorialized in a written settlement agreement (the “**Bradley-Scocchetti Settlement Agreement**”). The Bradley-Scocchetti Settlement Agreement is attached hereto as **Exhibit 27**. It shall be incorporated as **Exhibit 27** to the Harrisburg Strong Plan and included as **Exhibit 27** to the Strong Plan Exhibit Book. The Bradley-Scocchetti Settlement Agreement is submitted pursuant to Part Six, Section C.2.c of the Plan.

C. **MSC Industrial Supply Settlement Agreement.** MSC Industrial Supply (“**MSC Industrial**”) has asserted a claim for certain contractual services in conjunction with the completion of the retrofit of the Incinerator. A settlement of this claim has been reached, the terms of which are memorialized in a written settlement agreement (the “**MSC Industrial Settlement Agreement**”). The MSC Industrial Settlement Agreement is attached hereto as **Exhibit 28**. It shall be incorporated as **Exhibit 28** to the

Harrisburg Strong Plan and included as Exhibit 28 to the Strong Plan Exhibit Book. The MSC Industrial Settlement Agreement is submitted pursuant to Part Six, Section C.2.c of the Plan.

D. **Rogele, Inc. Settlement Agreement.** Rogele, Inc. (“**Rogele**”) has asserted a claim for certain contractual services in conjunction with the completion of the retrofit of the Incinerator. A settlement of this claim has been reached, the terms of which are memorialized in a written settlement agreement (the “**Rogele Settlement Agreement**”). The Rogele Settlement Agreement is attached hereto as Exhibit 29. It shall be incorporated as Exhibit 29 to the Harrisburg Strong Plan and included as Exhibit 29 to the Strong Plan Exhibit Book. The Rogele Settlement Agreement is submitted pursuant to Part Six, Section C.2.c of the Plan.

E. **JEM Group, LLC Settlement Agreement.** JEM Group, LLC (“**JEM**”) has asserted a claim for certain contractual services in conjunction with the completion of the retrofit of the Incinerator. A settlement of this claim has been reached, the terms of which are memorialized in a written settlement agreement (the “**JEM Settlement Agreement**”). The JEM Settlement Agreement is attached hereto as Exhibit 30. It shall be incorporated as Exhibit 30 to the Harrisburg Strong Plan and included as Exhibit 30 to the

Strong Plan Exhibit Book. The JEM Settlement Agreement is submitted pursuant to Part Six, Section C.2.c of the Plan.

- F. **Greiner Industries, Inc. Settlement Agreement.** Greiner Industries, Inc. (“**Greiner**”) has asserted a claim for certain contractual services in conjunction with the completion of the retrofit of the Incinerator. A settlement of those claims has been reached, the terms of which are memorialized in a written settlement agreement (the “**Greiner Settlement Agreement**”). The Greiner Settlement Agreement is attached hereto as **Exhibit 31**. It shall be incorporated as **Exhibit 31** to the Harrisburg Strong Plan and included as **Exhibit 31** to the Strong Plan Exhibit Book. The Greiner Settlement Agreement is submitted pursuant to Part Six, Section C.2.c of the Plan.
- G. **Covanta Harrisburg, Inc. Settlement Agreement.** Covanta Harrisburg, Inc. (“Covanta”) has asserted a claim for certain funds advanced in conjunction with the completion of the retrofit of the Incinerator. A settlement of those claims has been reached, the terms of which are memorialized in a written settlement agreement (the “**Covanta Settlement Agreement**”). The Covanta Settlement Agreement is attached hereto as **Exhibit 32**. It shall be incorporated as **Exhibit 32** to the Harrisburg Strong

Plan and included as Exhibit 32 to the Strong Plan Exhibit Book. The Covanta Settlement Agreement is submitted pursuant to Part Six, Section C.2.b of the Plan.

H. **CIT Capital USA Inc. Settlement Agreement. CIT Capital USA Inc.**

(“CIT”) has asserted claims for certain financings advanced in conjunction with certain aspects of the retrofit of the Incinerator. A settlement of those claims has been reached, the terms of which are memorialized in a written settlement agreement (the “**CIT Settlement Agreement**”). The CIT Settlement Agreement is attached hereto as Exhibit 33. It shall be incorporated as Exhibit 33 to the Harrisburg Strong Plan and included as Exhibit 33 to the Strong Plan Exhibit Book. The Covanta Settlement Agreement is submitted pursuant to Part Six, Section C.2.a of the Plan.

I. **Comprehensive Settlement Agreement.**

The “Comprehensive AGM/Daughin County Settlement Agreement” is discussed in Part Six, Section C.4 of the Plan. The Comprehensive AGM/Daughin County Settlement Agreement memorializes the understandings set forth in the Plan among the Receiver, the City by the Receiver, THA, AGM, and the County. The Comprehensive AGM/Daughin County Settlement Agreement also provides for mutual releases of the parties to the Comprehensive


AGM/Dauphin County Settlement Agreement. This Agreement is attached hereto as **Exhibit 34**, and shall be incorporated as **Exhibit 34** to the Harrisburg Strong Plan and included as **Exhibit 34** to the Strong Plan Exhibit Book. The Comprehensive AGM/Dauphin County Settlement Agreement is submitted pursuant to Part Six, Section C.4 of the Plan.

Respectfully submitted,

McKenna Long & Aldridge, LLP

Date: December 20, 2013

By:



Joseph Krolikowski, Esq.

Pennsylvania Bar No. 26300

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Atlanta, Georgia 30308

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**Attorneys for William B. Lynch, in his
official capacity as Receiver for the City
of Harrisburg**

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

C. Alan Walker, in his capacity as
Secretary for the Department of
Community and Economic
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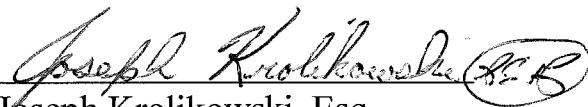
CERTIFICATE OF SERVICE

The undersigned hereby certifies that, through counsel, William B. Lynch, in his capacity as Receiver for the City of Harrisburg, caused true and correct copies of the **NOTICE OF FILING OF CERTAIN SUPPLEMENTAL EXHIBITS TO MODIFIED RECOVERY PLAN AND REQUEST FOR APPROVAL AND FINDING OF EFFICACY OF PLAN DOCUMENTS** to be served, via first class mail, postage prepaid upon the individuals identified on Exhibit A hereto at the addressees indicated on Exhibit A.

Dated: December 20, 2013

Respectfully submitted,

McKenna Long & Aldridge LLP

By:  Joseph Krolikowski, Esq.
Joseph Krolikowski, Esq.
Pennsylvania Bar No. 26300
303 Peachtree Street, NE, Suite 5300
Atlanta, GA 30308
Phone: (404) 527-4000
Fax: (404) 527-4198
jkrolikowski@mckennalong.com

Attorneys for William B. Lynch, in his official
capacity as Receiver for the City of Harrisburg

EXHIBIT A

The Honorable C. Alan Walker
 Department of Community and Economic
 Development
 Commonwealth Keystone Building
 400 North Street, 4th Floor
 Harrisburg, PA 17120
 (866) 466-3972

The Honorable Linda Thompson
 Mayor of the City of Harrisburg
 Dr. Martin Luther King, Jr.
 Government Center
 10 North 2nd Street
 Harrisburg, PA 17101
 (717) 255-3040

The Harrisburg City Council
 c/o Kirk Petroski, Chief City Clerk
 Office of City Clerk/City Council
 Dr. Martin Luther King, Jr. Government
 Center
 10 North Second Street, Suite 1 Lower
 Level
 Harrisburg, PA 17101
 (717) 258-6500

Neil Anthony Grover
 Attorney at Law
 2201 N 2nd St
 Harrisburg, PA 17110
 (717) 260-9651
*(Attorney for the Harrisburg City
 Council)*

Kenneth W. Lee
 Post & Schell, P.C.
 17 North Second Street
 12th Floor
 Harrisburg, PA 17101
 (717) 612-6035
*(Attorneys for the Mayor of the City of
 Harrisburg)*

Brian Allen Kint
 Cozen O'Connor
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 Philadelphia, PA 19103
 (215) 665-4686
*(Attorneys for C. Alan Walker, DCED
 Secretary)*

Scott T. Wyland
 Salzman Hughes PC
 105 N. Front Street, Suite 205
 Harrisburg, PA 17101
 (717) 249-6333
*(Attorneys for certain Suburban
 Municipalities)*

Eric Louis Scherling
 Cozen O'Connor
 1900 Market St
 Philadelphia, PA 19103
 (215) 665-2042
*(Attorneys for C. Alan Walker, DCED
 Secretary)*

<p>Jeffrey G. Weil Neal David Colton Stephen Aaron Miller Cozen O'Connor 1900 Market St Philadelphia, PA 19103 (215) 665-2060 <i>(Attorneys for C. Alan Walker, DCED Secretary)</i></p>	<p>Edward Lee Stinnett, II Salzmann Hughes PC 105 N. Front Street, Suite 205 Harrisburg, PA 17101 (717) 249-6333 <i>(Attorneys for certain Suburban Municipalities)</i></p>
<p>Nevin J. Mindlin 2550 N. 3rd Street Harrisburg, PA 17110 (717) 238-8705 <i>(Debt Watch Harrisburg)</i></p>	<p>Lee E. Morrison 420 Lamp Post Lane Camp Hill, PA 17011 (717) 761-9090 <i>(Attorney for Harrisburg City Council)</i></p>
<p>Markian Roman Slobodian Law Offices of Markian R. Slobodian 801 N 2nd St Harrisburg, PA 17102—3213 (717) 232-5180 <i>(Attorneys for Ambac Assurance Corporation)</i></p>	<p>Marck Joachim Arent Fox LLP 1050 Connecticut Ave., NW Washington, DC 20036 (202) 857-6018 <i>(Attorneys for Ambac Assurance Corporation)</i></p>
<p>Howard B. Klein Law Office of Howard Bruce Klein, P.C. 1700 Market Street, Suite 3025 Philadelphia, PA 19103 (215) 972-1411 <i>(Attorneys for David Unkovic)</i></p>	<p>Geoffrey R. Johnson Sprague & Sprague 1110 Wellington Road Jenkintown, PA 19046 (215) 490-7436 <i>(Attorneys for Mark D. Schwartz)</i></p>

<p>Daniel L. Sullivan Saidis, Flower & Lindsay Saidis Sullivan & Rogers 26 W High St Carlisle, PA 17013 (717) 243-6222 <i>(Attorneys for County of Dauphin)</i></p>	<p>Charles B. Zwally Ronald L. Finck Mette, Evans & Woodside 3401 N Front St PO Box 5950 Harrisburg, PA 17110 (717) 232-5000 <i>(Attorneys for County of Dauphin)</i></p>
<p>Paul M. Hummer Matthew M. Haar Saul Ewing LLP Centre Square West 1500 Market Street, 38th Floor Philadelphia, PA 19102-2186 (215) 972-7777 <i>(Attorneys for Assured Guaranty Municipal Corp.)</i></p>	<p>James S. Gkonos Saul Ewing LLP Centre Square West 1500 Market Street, 38th Floor Philadelphia, PA 19102-2186 (215) 972-8667 <i>(Attorneys for Assured Guaranty Municipal Corp.)</i></p>
<p>Daniel C. Miller Harrisburg City Controller City of Harrisburg 10 N. 2nd Street – Suite 403 Harrisburg, PA 17101 (717) 234-2250 <i>(Pro se)</i></p>	

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

C. Alan Walker, in his capacity as
Secretary for the Department of
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v.

City of Harrisburg,

Respondent.

No. 569 M.D. 2011

**[PROPOSED] ORDER APPROVING PLAN DOCUMENTS AND
AFFIRMING EFFICACY OF PLAN DOCUMENTS**

AND NOW, this _____ day of December, 2013, upon consideration of the request by William B. Lynch, the Receiver for the City of Harrisburg (“Receiver”) in his Notice of Filing of Certain Amended and Supplemental Exhibits to Modified Recovery Plan and Request for Approval and Finding of Efficacy of Plan Documents (the “December 20 Notice of Filing”) in connection with which the Receiver submitted to the Court certain Fourth

Supplemental Plan Documents¹, the Court hereby FINDS and CONCLUDES as follows:

A. The relief requested in the December 20 Notice of Filing is GRANTED.

B. In recognition and furtherance of this Court's September 23, 2013 Order ("Plan Approval Order") confirming the Harrisburg Strong Plan ("Plan"), which approves the various components of the Plan and provides, among other things that the Receiver and/or the City of Harrisburg ("City") are "authorized and required to take action necessary to effectuate" the various key components of the Plan, "including, without limitation and as applicable, finalizing and executing any relevant agreements, resolutions, ordinances and any other necessary documentation", Plan Approval Order at e.g. pp. 7-8, ¶¶ C-F, the Court hereby CONCLUDES and ORDERS:

1. in recognition and furtherance of the Plan Approval Order, the Fourth Supplemental Plan Documents are hereby APPROVED as compliant with and in furtherance of the Plan and the Plan Approval Order; and
2. in recognition and furtherance of the Plan and the Plan Approval Order, the Court hereby affirms the force and effect of the Fourth

¹ Capitalized terms not defined herein shall have the meaning of such terms set forth in the December 20 Notice of Filing.

Supplemental Plan Documents, as executed and submitted to the
Court.

BONNIE BRIGANCE LEADBETTER,
Judge

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is made this 5th day of December, 2013 by and among Jordan Contracting ("Jordan"), The Harrisburg Authority ("THA"), the County of Dauphin ("County"), Assured Guaranty Municipal Corp. ("Assured Guaranty"), the City of Harrisburg ("City"), and Major General William Lynch, solely in his capacity as Receiver for and on behalf of the City of Harrisburg (including any predecessor or successor thereof, the "Receiver") (collectively, the "Parties").

WHEREAS, Jordan entered into a contract with THA to perform certain services regarding the retrofit of the Harrisburg Resource Recovery Facility ("RRF"); and

WHEREAS, Jordan asserts that THA failed to pay Jordan the full amount of the charges for its services; and

WHEREAS, Jordan asserts that THA is required to pay it in excess of \$48,764.00;

WHEREAS, the City of Harrisburg ("City") has been placed under receivership pursuant to 53 P.S. §11701, 703, and the Receiver wishes to resolve all claims that could impede a global settlement with the City's creditors:

WHEREAS, Assured Guaranty and the County are among a group of major creditors of the City (collectively, the "Major Creditors") that have agreed with the Receiver on a structure for a global settlement, the general terms of which are described in the Harrisburg Strong Plan filed by the Receiver on August 26, 2013 with the Pennsylvania Commonwealth Court presiding over the City Receivership proceedings (the "Plan");

WHEREAS, the Receiver, THA, Assured Guaranty, and the County have agreed to the terms and conditions of a sale by THA of the RRF to the Lancaster County Solid Waste

Management Authority ("LCSWMA"), pursuant to the terms set forth in the Plan (the "RRF Transaction");

WHEREAS, the Receiver, Assured Guaranty and the County have also negotiated and agreed to the terms and conditions of a lease and asset transfer agreement (the "Lease") by the Harrisburg Parking Authority and the City of certain parking garages and rights relating to on-street parking (the "Parking Assets") to the Pennsylvania Economic Development Financing Authority ("PEDFA") and the authorization by the City to PEDFA of certain rights to maintain and enforce on-street parking, pursuant to the terms set forth in the Plan (the "Parking Transaction"); and

WHEREAS, the Parties wish to settle and resolve the claims made by Jordan as part of the global settlement and resolution of the financial distress of the City;

NOW THEREFORE, the Parties signatory hereto, intending to be legally bound, and for other good and valuable consideration agree, as follows:

1. This Agreement is contingent upon the closing and distribution of funds of both the RRF Transaction and the Parking Transaction;

2. Upon the closing and distribution of funds from the RRF Transaction and the Parking Transaction described above, Jordan shall receive the sum of Nineteen Thousand Five Hundred Six Dollars (\$19,506.00) (the "Settlement Amount");

3. Upon the closing of both the Parking Transaction and the RRF Transaction, Jordan shall release THA, the County, the City, the Receiver and Assured Guaranty as set forth in this paragraph 3. Effective upon Jordan's receipt of the Settlement Amount pursuant to the terms of this Agreement, and strictly conditioned thereupon, Jordan, on behalf of itself and, as applicable, affiliates, successors-in-interest, assigns, members, directors officers, employees,

agents and representatives do hereby forever, fully, and completely release, acquit and discharge THA, Assured Guaranty, the City, the Receiver and the County, and their respective elected and appointed officials, directors, officers, employees, agents, representatives, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, of and from all, and all manner of, claims, actions, and causes of action, suits, debts, obligations, promises, expenses, bills, interest, liens, liabilities, dues, accounts, bonds, covenants, contracts, agreements, costs, judgments, claims and demands whatsoever, in law or in equity, or otherwise, whether known or unknown, accrued or unaccrued, which Jordan and its respective affiliates, successors-in-interest and assigns ever had, now has, or can, shall or may in the future have against THA, Assured Guaranty, the City, the Receiver and the County, and their respective elected and appointed officials, directors, officers, employees, agents, representatives, servants, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, for, or by reason of, or in connection with the RRF. Without limiting the generality of the foregoing, Jordan acknowledges and agrees that receipt of the Settlement Amount satisfies all payment obligations, whether principal, interest, costs or otherwise, which may be due to it from THA or the City—past, present and future – arising from or related to the work performed by Jordan on the RRF and that Jordan will have no liens, claims or other rights against the RRF, LCSWMA or otherwise arising from matters prior to the RRF Transaction.

4. Upon the closing of both the Parking Transaction and the RRF Transaction, each of THA, the County, the City, the Receiver and Assured Guaranty shall release Jordan as set forth in this paragraph 4. Effective upon payment and receipt of the Settlement Amount pursuant to the terms of this Agreement, and strictly conditioned thereupon, THA, Assured Guaranty, the

City, the Receiver and the County, each on behalf of themselves and, as applicable, their respective affiliates, successors-in-interest, assigns, members, directors officers, employees, agents and representatives do hereby forever, fully, and completely release, acquit and discharge, Jordan and its respective affiliates, directors, officers, employees, agents, representatives, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, of and from all, and all manner of, claims, actions, and causes of action, suits, debts, obligations, promises, expenses, bills, interest, liens, liabilities, dues, accounts, bonds, covenants, contracts, agreements, costs, judgments, claims and demands whatsoever, in law or in equity, or otherwise, whether known or unknown, accrued or unaccrued, which TIA, Assured Guaranty, the City, the Receiver and the County and their respective affiliates, successors-in-interest and assigns ever had, now has, or can, shall or may in the future have against Jordan and its respective directors, officers, employees, agents, representatives, servants, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, for, or by reason of, or in connection with the RRF.

5. The Parties each warrant that they have not assigned, transferred, conveyed or otherwise disposed of any claim, demand, cause of action, obligation or liability set forth in this Agreement.

6. The parties each represent and warrant, on their own behalf, that they are authorized and empowered to execute this Agreement and that such execution is sufficient, pursuant to the terms hereof, to settle, compromise and release the claims and interests settled, compromised and/or released hereby.

7. Unless extended in writing by the parties hereto, this Agreement shall terminate on the earlier of (i) abandonment by the Receiver, or failure of the Receiver to obtain court approval of the Plan, (ii) the filing of bankruptcy by the City prior to the payment of the Settlement Amount, or (iii) the failure to consummate the terms of paragraphs 1 and 2 of this Agreement by March 1, 2014. Upon termination, the Parties shall have all claims and defenses as if this Agreement had not been executed.

8. This Settlement Agreement may be signed in counterparts, all of which shall constitute one agreement binding on all Parties.

9. This Agreement and all matters arising out of or relating to this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

10. Should any provision of this Agreement require interpretation, no party shall be considered the drafter of this Agreement, nor of any provision contained herein, for the purposes of any statute, case law, or rule of interpretation or construction, that would, or might cause, any provision to be construed or interpreted as against the drafter. The Parties acknowledge and agree that this Agreement is voluntarily entered into by the Parties as a result of arm's-length negotiations and that the Parties were represented by competent counsel in deciding to enter into this Agreement.

11. Nothing in this Agreement shall be construed against any party as an admission of liability, or of the admission of any fact, or as a concession of any matters relating to the disputes resolved hereby.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above.

THE HARRISBURG AUTHORITY

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____
Name:
Title:

By: _____
Name:
Title:

WILLIAM LYNCH, SOLELY IN HIS
CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

ASSURED GUARANTY MUNICIPAL
CORP.

By: William B. Lynch
Name: William Lynch
Title: Receiver for the City of Harrisburg

By: _____
Name:
Title:

JORDAN CONTRACTING

By: Audie W. Jordan Jr
Name: Audie W. Jordan Jr
Title: owner

(IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above.

THE HARRISBURG AUTHORITY

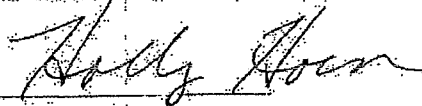
THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____
Name:
Title:

By: _____
Name:
Title:

WILLIAM LYNCH, SOLELY IN HIS
CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

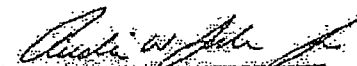
ASSURED GUARANTY MUNICIPAL
CORP.



By: _____
Name: William Lynch
Title: Receiver for the City of Harrisburg

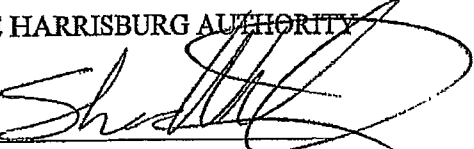
By: _____
Name: HOLLY HORN
Title: CHIEF SURVEILLANCE OFFICER,
PUBLIC FINANCE

JORDAN CONTRACTING

By: 
Name: Austin W. Jordan, Jr.
Title: Owner

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above.

THE HARRISBURG AUTHORITY

By: 
Name: Sharon G. Williams, P.E.
Title: Executive Director

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____
Name:
Title:

WILLIAM LYNCH, SOLELY IN HIS
CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

ASSURED GUARANTY MUNICIPAL
CORP.

By: _____
Name: William Lynch
Title: Receiver for the City of Harrisburg

By: _____
Name:
Title:

JORDAN CONTRACTING

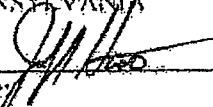
By: _____
Name:
Title:

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above.

THE HARRISBURG AUTHORITY

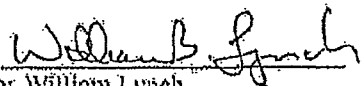
THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____
Name:
Title:

By:  _____
Name:
Title:

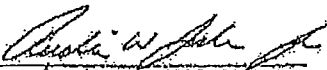
WILLIAM LYNCH, SOLELY IN HIS
CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

ASSURED GUARANTY MUNICIPAL
CORP.

By:  _____
Name: William Lynch
Title: Receiver for the City of Harrisburg

By: _____
Name:
Title:

JORDAN CONTRACTING

By:  _____
Name: Audie W. Jordan Jr.
Title: owner

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is made this ____ day of November, 2013 by and among **Bradley-Sciocchetti, Inc. ("Bradley-Scocchetti"), The Harrisburg Authority ("THA"), the County of Dauphin ("County"), Assured Guaranty Municipal Corp. ("Assured Guaranty"), the City of Harrisburg ("City"), and Major General William Lynch, solely in his capacity as Receiver for and on behalf of the City of Harrisburg (including any predecessor or successor thereof, the "Receiver") (collectively, the "Parties").**

WHEREAS, Bradley-Scocchetti entered into a contract with THA to perform certain services regarding the retrofit of the Harrisburg Resource Recovery Facility ("RRF"); and

WHEREAS, Bradley-Scocchetti asserts that THA failed to pay Bradley-Scocchetti the full amount of the charges for its services; and

WHEREAS, Bradley-Scocchetti asserts that THA is required to pay it in excess of \$1960.00;

WHEREAS, the City of Harrisburg ("City") has been placed under receivership pursuant to 53 P.S. §11701. 703, and the Receiver wishes to resolve all claims that could impede a global settlement with the City's creditors;

WHEREAS, Assured Guaranty and the County are among a group of major creditors of the City (collectively, the "Major Creditors") that have agreed with the Receiver on a structure for a global settlement, the general terms of which are described in the Harrisburg Strong Plan filed by the Receiver on August 26, 2013 with the Pennsylvania Commonwealth Court presiding over the City Receivership proceedings (the "Plan");

WHEREAS, the Receiver, THA, Assured Guaranty, and the County have agreed to the terms and conditions of a sale by THA of the RRF to the Lancaster County Solid Waste

Management Authority ("LCSWMA"), pursuant to the terms set forth in the Plan (the "RRF Transaction");

WHEREAS, the Receiver, Assured Guaranty and the County have also negotiated and agreed to the terms and conditions of a lease and asset transfer agreement (the "Lease") by the Harrisburg Parking Authority and the City of certain parking garages and rights relating to on-street parking (the "Parking Assets") to the Pennsylvania Economic Development Financing Authority ("PEDFA") and the authorization by the City to PEDFA of certain rights to maintain and enforce on-street parking, pursuant to the terms set forth in the Plan (the "Parking Transaction"); and

WHEREAS, the Parties wish to settle and resolve the claims made by Bradley-Scocchetti as part of the global settlement and resolution of the financial distress of the City;

NOW THEREFORE, the Parties signatory hereto, intending to be legally bound, and for other good and valuable consideration agree, as follows:

1. This Agreement is contingent upon the closing and distribution of funds of both the RRF Transaction and the Parking Transaction;

2. Upon the closing and distribution of funds from the RRF Transaction and the Parking Transaction described above, Bradley-Scocchetti shall receive the sum of Seven Hundred Eighty Four Dollars (\$784.00) (the "Settlement Amount");

3. Upon the closing of both the Parking Transaction and the RRF Transaction, Bradley-Scocchetti shall release THA, the County, the City, the Receiver and Assured Guaranty as set forth in this paragraph 3. Effective upon Bradley-Scocchetti's receipt of the Settlement Amount pursuant to the terms of this Agreement, and strictly conditioned thereupon, Bradley-Scocchetti, on behalf of itself and, as applicable, affiliates, successors-in-interest, assigns,

members, directors officers, employees, agents and representatives do hereby forever, fully, and completely release, acquit and discharge THA, Assured Guaranty, the City, the Receiver and the County, and their respective elected and appointed officials, directors, officers, employees, agents, representatives, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, of and from all, and all manner of, claims, actions, and causes of action, suits, debts, obligations, promises, expenses, bills, interest, liens, liabilities, dues, accounts, bonds, covenants, contracts, agreements, costs, judgments, claims and demands whatsoever, in law or in equity, or otherwise, whether known or unknown, accrued or unaccrued, which Bradley-Scocchetti and its respective affiliates, successors-in-interest and assigns ever had, now has, or can, shall or may in the future have against THA, Assured Guaranty, the City, the Receiver and the County, and their respective elected and appointed officials, directors, officers, employees, agents, representatives, servants, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, for, or by reason of, or in connection with the RRF. Without limiting the generality of the foregoing, Bradley-Scocchetti acknowledges and agrees that receipt of the Settlement Amount satisfies all payment obligations, whether principal, interest, costs or otherwise, which may be due to it from THA or the City—past, present and future – arising from or related to the work performed by Bradley-Scocchetti on the RRF and that Bradley-Scocchetti will have no liens, claims or other rights against the RRF, LCSWMA or otherwise arising from matters prior to the RRF Transaction.

4. Upon the closing of both the Parking Transaction and the RRF Transaction, each of THA, the County, the City, the Receiver and Assured Guaranty shall release Bradley-Scocchetti as set forth in this paragraph 4. Effective upon payment and receipt of the Settlement

Amount pursuant to the terms of this Agreement, and strictly conditioned thereupon, THA, Assured Guaranty, the City, the Receiver and the County, each on behalf of themselves and, as applicable, their respective affiliates, successors-in-interest, assigns, members, directors officers, employees, agents and representatives do hereby forever, fully, and completely release, acquit and discharge, Bradley-Scocchetti and its respective affiliates, directors, officers, employees, agents, representatives, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, of and from all, and all manner of, claims, actions, and causes of action, suits, debts, obligations, promises, expenses, bills, interest, liens, liabilities, dues, accounts, bonds, covenants, contracts, agreements, costs, judgments, claims and demands whatsoever, in law or in equity, or otherwise, whether known or unknown, accrued or unaccrued, which THA, Assured Guaranty, the City, the Receiver and the County and their respective affiliates, successors-in-interest and assigns ever had, now has, or can, shall or may in the future have against Bradley-Scocchetti and its respective directors, officers, employees, agents, representatives, servants, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, for, or by reason of, or in connection with the RRF.

5. The Parties each warrant that they have not assigned, transferred, conveyed or otherwise disposed of any claim, demand, cause of action, obligation or liability set forth in this Agreement.

6. The parties each represent and warrant, on their own behalf, that they are authorized and empowered to execute this Agreement and that such execution is sufficient, pursuant to the terms hereof, to settle, compromise and release the claims and interests settled, compromised and/or released hereby.

7. Unless extended in writing by the parties hereto, this Agreement shall terminate on the earlier of (i) abandonment by the Receiver, or failure of the Receiver to obtain court approval of the Plan, (ii) the filing of bankruptcy by the City prior to the payment of the Settlement Amount, or (iii) the failure to consummate the terms of paragraphs 1 and 2 of this Agreement by March 1, 2014. Upon termination, the Parties shall have all claims and defenses as if this Agreement had not been executed.

8. This Settlement Agreement may be signed in counterparts, all of which shall constitute one agreement binding on all Parties.

9. This Agreement and all matters arising out of or relating to this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

10. Should any provision of this Agreement require interpretation, no party shall be considered the drafter of this Agreement, nor of any provision contained herein, for the purposes of any statute, case law, or rule of interpretation or construction, that would, or might cause, any provision to be construed or interpreted as against the drafter. The Parties acknowledge and agree that this Agreement is voluntarily entered into by the Parties as a result of arm's-length negotiations and that the Parties were represented by competent counsel in deciding to enter into this Agreement.

11. Nothing in this Agreement shall be construed against any party as an admission of liability, or of the admission of any fact, or as a concession of any matters relating to the disputes resolved hereby.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above.

THE HARRISBURG AUTHORITY

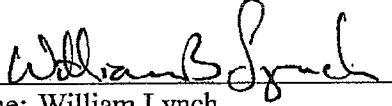
THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____
Name:
Title:

By: _____
Name:
Title:

WILLIAM LYNCH, SOLELY IN HIS
CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

ASSURED GUARANTY MUNICIPAL
CORP.

By: 
Name: William Lynch
Title: Receiver for the City of Harrisburg

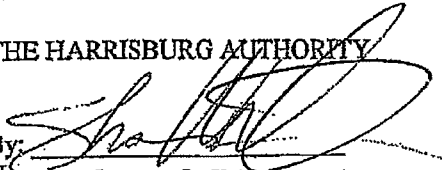
By: _____
Name:
Title:

BRADLEY-SCOCCHETTI, INC.

By: _____
Name:
Title:

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above.

THE HARRISBURG AUTHORITY

By: 
Name: Shannon G. Williams, P.E.
Title: Executive Director

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____
Name:
Title:


WILLIAM LYNCH, SOLELY IN HIS
CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

By: _____
Name: William Lynch
Title: Receiver for the City of Harrisburg

ASSURED GUARANTY MUNICIPAL
CORP.

By: _____
Name:
Title:

BRADLEY-SCOCCHETTI, INC.

By: 
Name: Frank M. North
Title: Vice President

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above.

THE HARRISBURG AUTHORITY

By: _____
Name:
Title:

WILLIAM LYNCH, SOLELY IN HIS
CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

By: _____
Name: William Lynch
Title: Receiver for the City of Harrisburg

BRADLEY-SCOCCHETTI, INC.

By: _____
Name:
Title:

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____
Name:
Title:

ASSURED GUARANTY MUNICIPAL
CORP.

By: _____
Name:
Title:

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above:

THE HARRISBURG AUTHORITY

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

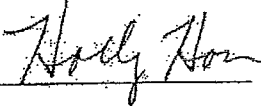
By: _____
Name:
Title:

By: _____
Name:
Title:


WILLIAM LYNCH, SOLELY IN HIS
CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

ASSURED GUARANTY MUNICIPAL
CORP.

By: _____
Name: William Lynch
Title: Receiver for the City of Harrisburg

By: 
Name:
Title: HOLLY HORN
CHIEF SURVEILLANCE OFFICER
PUBLIC FINANCE

BRADLEY SCOCCHETTI, INC.

By: 
Name: Frank M. North
Title: Vice President

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is made this _____ day of December, 2013 by and among MSC Industrial Supply ("MSC"), The Harrisburg Authority ("THA"), the County of Dauphin ("County"), Assured Guaranty Municipal Corp. ("Assured Guaranty"), the City of Harrisburg ("City"), and Major General William Lynch, solely in his capacity as Receiver for and on behalf of the City of Harrisburg (including any predecessor or successor thereof, the "Receiver") (collectively, the "Parties").

WHEREAS, MSC entered into a contract with THA to perform certain services regarding the retrofit of the Harrisburg Resource Recovery Facility ("RRF"); and

WHEREAS, MSC asserts that THA failed to pay MSC the full amount of the charges for its services; and

WHEREAS, MSC asserts that THA is required to pay it in excess of \$59,668.07;

WHEREAS, the City of Harrisburg ("City") has been placed under receivership pursuant to 53 P.S. §11701. 703, and the Receiver wishes to resolve all claims that could impede a global settlement with the City's creditors;

WHEREAS, Assured Guaranty and the County are among a group of major creditors of the City (collectively, the "Major Creditors") that have agreed with the Receiver on a structure for a global settlement, the general terms of which are described in the Harrisburg Strong Plan filed by the Receiver on August 26, 2013 with the Pennsylvania Commonwealth Court presiding over the City Receivership proceedings (the "Plan");

WHEREAS, the Receiver, THA, Assured Guaranty, and the County have agreed to the terms and conditions of a sale by THA of the RRF to the Lancaster County Solid Waste

Management Authority ("LCSWMA"), pursuant to the terms set forth in the Plan (the "RRF Transaction");

WHEREAS, the Receiver, Assured Guaranty and the County have also negotiated and agreed to the terms and conditions of a lease and asset transfer agreement (the "Lease") by the Harrisburg Parking Authority and the City of certain parking garages and rights relating to on-street parking (the "Parking Assets") to the Pennsylvania Economic Development Financing Authority ("PEDFA") and the authorization by the City to PEDFA of certain rights to maintain and enforce on-street parking, pursuant to the terms set forth in the Plan (the "Parking Transaction"); and

WHEREAS, the Parties wish to settle and resolve the claims made by MSC as part of the global settlement and resolution of the financial distress of the City;

NOW THEREFORE, the Parties signatory hereto, intending to be legally bound, and for other good and valuable consideration agree, as follows:

1. This Agreement is contingent upon the closing and distribution of funds of both the RRF Transaction and the Parking Transaction;
2. Upon the closing and distribution of funds from the RRF Transaction and the Parking Transaction described above, MSC shall receive the sum of Twenty Three Thousand Eight Hundred Sixty Seven and Twenty Three Cents (\$23,867.23) (the "Settlement Amount");
3. Upon the closing of both the Parking Transaction and the RRF Transaction, MSC shall release THA, the County, the City, the Receiver and Assured Guaranty as set forth in this paragraph 3. Effective upon MSC's receipt of the Settlement Amount pursuant to the terms of this Agreement, and strictly conditioned thereupon, MSC, on behalf of itself and, as applicable, affiliates, successors-in-interest, assigns, members, directors officers, employees, agents and

representatives do hereby forever, fully, and completely release, acquit and discharge THA, Assured Guaranty, the City, the Receiver and the County, and their respective elected and appointed officials, directors, officers, employees, agents, representatives, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, of and from all, and all manner of, claims, actions, and causes of action, suits, debts, obligations, promises, expenses, bills, interest, liens, liabilities, dues, accounts, bonds, covenants, contracts, agreements, costs, judgments, claims and demands whatsoever, in law or in equity, or otherwise, whether known or unknown, accrued or unaccrued, which MSC and its respective affiliates, successors-in-interest and assigns ever had, now has, or can, shall or may in the future have against THA, Assured Guaranty, the City, the Receiver and the County, and their respective elected and appointed officials, directors, officers, employees, agents, representatives, servants, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, for, or by reason of, or in connection with the RRF. Without limiting the generality of the foregoing, MSC acknowledges and agrees that receipt of the Settlement Amount satisfies all payment obligations, whether principal, interest, costs or otherwise, which may be due to it from THA or the City—past, present and future – arising from or related to the work performed by MSC on the RRF and that MSC will have no liens, claims or other rights against the RRF, LCSWMA or otherwise arising from matters prior to the RRF Transaction.

4. Upon the closing of both the Parking Transaction and the RRF Transaction, each of THA, the County, the City, the Receiver and Assured Guaranty shall release MSC as set forth in this paragraph 4. Effective upon payment and receipt of the Settlement Amount pursuant to the terms of this Agreement, and strictly conditioned thereupon, THA, Assured Guaranty, the

City, the Receiver and the County, each on behalf of themselves and, as applicable, their respective affiliates, successors-in-interest, assigns, members, directors officers, employees, agents and representatives do hereby forever, fully, and completely release, acquit and discharge, MSC and its respective affiliates, directors, officers, employees, agents, representatives, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, of and from all, and all manner of, claims, actions, and causes of action, suits, debts, obligations, promises, expenses, bills, interest, liens, liabilities, dues, accounts, bonds, covenants, contracts, agreements, costs, judgments, claims and demands whatsoever, in law or in equity, or otherwise, whether known or unknown, accrued or unaccrued, which THA, Assured Guaranty, the City, the Receiver and the County and their respective affiliates, successors-in-interest and assigns ever had, now has, or can, shall or may in the future have against MSC and its respective directors, officers, employees, agents, representatives, servants, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, for, or by reason of, or in connection with the RRF.

5. The Parties each warrant that they have not assigned, transferred, conveyed or otherwise disposed of any claim, demand, cause of action, obligation or liability set forth in this Agreement.

6. The parties each represent and warrant, on their own behalf, that they are authorized and empowered to execute this Agreement and that such execution is sufficient, pursuant to the terms hereof, to settle, compromise and release the claims and interests settled, compromised and/or released hereby.

7. Unless extended in writing by the parties hereto, this Agreement shall terminate on the earlier of (i) abandonment by the Receiver, or failure of the Receiver to obtain court approval of the Plan, (ii) the filing of bankruptcy by the City prior to the payment of the Settlement Amount, or (iii) the failure to consummate the terms of paragraphs 1 and 2 of this Agreement by March 1, 2014. Upon termination, the Parties shall have all claims and defenses as if this Agreement had not been executed.

8. This Settlement Agreement may be signed in counterparts, all of which shall constitute one agreement binding on all Parties.

9. This Agreement and all matters arising out of or relating to this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

10. Should any provision of this Agreement require interpretation, no party shall be considered the drafter of this Agreement, nor of any provision contained herein, for the purposes of any statute, case law, or rule of interpretation or construction, that would, or might cause, any provision to be construed or interpreted as against the drafter. The Parties acknowledge and agree that this Agreement is voluntarily entered into by the Parties as a result of arm's-length negotiations and that the Parties were represented by competent counsel in deciding to enter into this Agreement.

11. Nothing in this Agreement shall be construed against any party as an admission of liability, or of the admission of any fact, or as a concession of any matters relating to the disputes resolved hereby.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above.

THE HARRISBURG AUTHORITY

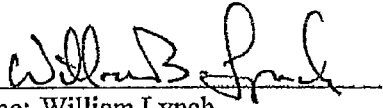
THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____
Name:
Title:

By: _____
Name:
Title:

WILLIAM LYNCH, SOLELY IN HIS
CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

ASSURED GUARANTY MUNICIPAL
CORP.

By: 
Name: William Lynch
Title: Receiver for the City of Harrisburg


By: _____
Name:
Title:

MSC INDUSTRIAL SUPPLY

By: _____
Name:
Title:

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above.

THE HARRISBURG AUTHORITY

By: 
Name: Shannon G. Williams, P.E.
Title: Executive Director

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____
Name: _____
Title: _____

WILLIAM LYNCH, SOLELY IN HIS
CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

ASSURED GUARANTY MUNICIPAL
CORP.

By: _____
Name: William Lynch
Title: Receiver for the City of Harrisburg

By: _____
Name: _____
Title: _____

MSC INDUSTRIAL SUPPLY

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above.

THE HARRISBURG AUTHORITY

By: _____
Name:
Title:

WILLIAM LYNCH, SOLELY IN HIS
CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

By: _____
Name: William Lynch
Title: Receiver for the City of Harrisburg

MSC INDUSTRIAL SUPPLY

By: _____
Name:
Title:

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____
Name:
Title:

ASSURED GUARANTY MUNICIPAL
CORP.

By: _____
Name:
Title:

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above:

THE HARRISBURG AUTHORITY

By: _____
Name:
Title:

WILLIAM LYNCH, SOLELY IN HIS
CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

By: _____
Name: William Lynch
Title: Receiver for the City of Harrisburg

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____
Name:
Title:

ASSURED GUARANTY MUNICIPAL
CORP.

By: *Holly Horn*
Name:
Title: HOLLY HORN
CHIEF SURVEILLANCE OFFICER
PUBLIC FINANCE

MSC INDUSTRIAL SUPPLY

By: *Nicholas W. Gallo*
Name: NICHOLAS W. GALLO
Title: DIRECTOR OF CREDIT

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is made as of the 16th day of December, 2013 by and among Rogele, Inc. ("Rogele"), The Harrisburg Authority ("THA"), the County of Dauphin ("County"), Assured Guaranty Municipal Corp. ("Assured Guaranty"), the City of Harrisburg ("City"), and Major General William Lynch, solely in his capacity as Receiver for and on behalf of the City of Harrisburg (including any predecessor or successor thereof, the "Receiver") (collectively, the "Parties").

WHEREAS, Rogele entered into a contract with THA to perform certain services regarding the retrofit of the Harrisburg Resource Recovery Facility ("RRF"); and

WHEREAS, Rogele asserts that THA failed to pay Rogele the full amount of the charges for its services; and

WHEREAS, Rogele brought suit against THA in an action captioned *Rogele, Inc. v. The Harrisburg Authority, 2011 CV-2245-CV*;

WHEREAS, Rogele asserts that THA is required to pay it in excess of \$105,000.00;

WHEREAS, the City of Harrisburg ("City") has been placed under receivership pursuant to 53 P.S. §11701. 703, and the Receiver wishes to resolve all claims that could impede a global settlement with the City's creditors;

WHEREAS, Assured Guaranty and the County are among a group of major creditors of the City (collectively, the "Major Creditors") that have agreed with the Receiver on a structure for a global settlement, the general terms of which are described in the Harrisburg Strong Plan filed by the Receiver on August 26, 2013 with the Pennsylvania Commonwealth Court presiding over the City Receivership proceedings (the "Plan");

WHEREAS, the Receiver, THA, Assured Guaranty, and the County have agreed to the terms and conditions of a sale by THA of the RRF to the Lancaster County Solid Waste Management Authority ("LCSWMA"), pursuant to the terms set forth in the Plan (the "RRF Transaction");

WHEREAS, the Receiver, Assured Guaranty and the County have also negotiated and agreed to the terms and conditions of a lease and asset transfer agreement (the "Lease") by the Harrisburg Parking Authority and the City of certain parking garages and rights relating to on-street parking (the "Parking Assets") to the Pennsylvania Economic Development Financing Authority ("PEDFA") and the authorization by the City to PEDFA of certain rights to maintain and enforce on-street parking, pursuant to the terms set forth in the Plan (the "Parking Transaction"); and

WHEREAS, the Parties wish to settle and resolve the claims made by Rogele as part of the global settlement and resolution of the financial distress of the City;

NOW THEREFORE, the Parties signatory hereto, intending to be legally bound, and for other good and valuable consideration agree, as follows:

1. This Agreement is contingent upon the closing and distribution of funds of both the RRF Transaction and the Parking Transaction;
2. Upon the closing and distribution of funds from the RRF Transaction and the Parking Transaction described above, Rogele shall receive the sum of Forty Two Thousand Twenty-Four Dollars (\$42,024.00) (the "Settlement Amount");
3. Upon receipt of the Settlement Amount, Rogele will mark as satisfied the judgment obtained in the suit against captioned *Rogele, Inc. v. The Harrisburg Authority, 2011 CV-2245-CV*;

4. Upon the closing of both the Parking Transaction and the RRF Transaction, Rogele shall release THA, the County, the City, the Receiver and Assured Guaranty as set forth in this paragraph 4. Effective upon Rogele's receipt of the Settlement Amount pursuant to the terms of this Agreement, and strictly conditioned thereupon, Rogele, on behalf of itself and, as applicable, affiliates, successors-in-interest, assigns, members, directors officers, employees, agents and representatives do hereby forever, fully, and completely release, acquit and discharge THA, Assured Guaranty, the City, the Receiver and the County, and their respective elected and appointed officials, directors, officers, employees, agents, representatives, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, of and from all, and all manner of, claims, actions, and causes of action, suits, debts, obligations, promises, expenses, bills, interest, liens, liabilities, dues, accounts, bonds, covenants, contracts, agreements, costs, judgments, claims and demands whatsoever, in law or in equity, or otherwise, whether known or unknown, accrued or unaccrued, which Rogele and its respective affiliates, successors-in-interest and assigns ever had, now has, or can, shall or may in the future have against THA, Assured Guaranty, the City, the Receiver and the County, and their respective elected and appointed officials, directors, officers, employees, agents, representatives, servants, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, for, or by reason of, or in connection with the RRF and/or those matters raised in the litigation styled *Rogele, Inc. v. The Harrisburg Authority, 2011 CV-2245-CV*. Without limiting the generality of the foregoing, Rogele acknowledges and agrees that receipt of the Settlement Amount satisfies all payment obligations, whether principal, interest, costs or otherwise, which may be due to it from THA or the City— past, present and future -- arising from or related to the work performed by Rogele on

the RRF and that Rogele will have no liens, claims or other rights against the RRF, LCSWMA or otherwise arising from matters prior to the RRF Sale.

5. Upon the closing of both the Parking Transaction and the RRF Transaction, each of THA, the County, the City, the Receiver and Assured Guaranty shall release Rogele as set forth in this paragraph 5. Effective upon payment and receipt of the Settlement Amount pursuant to the terms of this Agreement, and strictly conditioned thereupon, THA, Assured Guaranty, the City, the Receiver and the County, each on behalf of themselves and, as applicable, their respective affiliates, successors-in-interest, assigns, members, directors officers, employees, agents and representatives do hereby forever, fully, and completely release, acquit and discharge, Rogele and its respective affiliates, directors, officers, employees, agents, representatives, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, of and from all, and all manner of, claims, actions, and causes of action, suits, debts, obligations, promises, expenses, bills, interest, liens, liabilities, dues, accounts, bonds, covenants, contracts, agreements, costs, judgments, claims and demands whatsoever, in law or in equity, or otherwise, whether known or unknown, accrued or unaccrued, which THA, Assured Guaranty, the City, the Receiver and the County and their respective affiliates, successors-in-interest and assigns ever had, now has, or can, shall or may in the future have against Rogele and its respective directors, officers, employees, agents, representatives, servants, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, for, or by reason of, or in connection with the RRF and/or those matters raised in the litigation styled *Rogele, Inc. v. The Harrisburg Authority, 2011 CV-2245-CV*.

6. The Parties each warrant that they have not assigned, transferred, conveyed or otherwise disposed of any claim, demand, cause of action, obligation or liability set forth in this Agreement.

7. The parties each represent and warrant, on their own behalf, that they are authorized and empowered to execute this Agreement and that such execution is sufficient, pursuant to the terms hereof, to settle, compromise and release the claims and interests settled, compromised and/or released hereby.

8. Unless extended in writing by the parties hereto, this Agreement shall terminate on the earlier of (i) abandonment by the Receiver, or failure of the Receiver to obtain court approval, of the Plan, (ii) the filing of bankruptcy by the City prior to the payment of the Settlement Amount, or (iii) the failure to consummate the terms of paragraphs 1 and 2 of this Agreement by March 1, 2014. Upon termination, the Parties shall have all claims and defenses as if this Agreement had not been executed.

9. This Settlement Agreement may be signed in counterparts, all of which shall constitute one agreement binding on all Parties.

10. This Agreement and all matters arising out of our relating to this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

11. Should any provision of this Agreement require interpretation, no party shall be considered the drafter of this Agreement, nor of any provision contained herein, for the purposes of any statute, case law, or rule of interpretation or construction, that would, or might cause, any provision to be construed or interpreted as against the drafter. The Parties acknowledge and agree that this Agreement is voluntarily entered into by the Parties as a result of arm's-length

negotiations and that the Parties were represented by competent counsel in deciding to enter into this Agreement.

12. Nothing in this Agreement shall be construed against any party as an admission of liability, or of the admission of any fact, or as a concession of any matters relating to the disputes resolved hereby.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above.

THE HARRISBURG AUTHORITY

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____
Name:
Title:

By: _____
Name:
Title:

WILLIAM LYNCH, SOLELY IN HIS
CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

ASSURED GUARANTY MUNICIPAL
CORP.

By: *William B. Lynch*
Name: William Lynch
Title: Receiver for the City of Harrisburg

By: _____
Name:
Title:

ROGELE, INC.

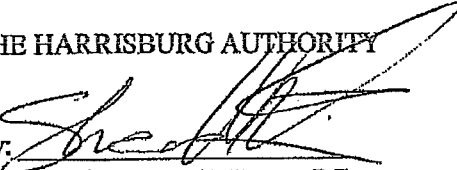
By: _____
Name:
Title:

negotiations and that the Parties were represented by competent counsel in deciding to enter into this Agreement.

12. Nothing in this Agreement shall be construed against any party as an admission of liability, or of the admission of any fact, or as a concession of any matters relating to the disputes resolved hereby.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above.

THE HARRISBURG AUTHORITY

By: 
Name: Shannon G. Williams, P.E.
Title: Executive Director

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____
Name:
Title:

WILLIAM LYNCH, SOLELY IN HIS
CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

By: _____
Name: William Lynch
Title: Receiver for the City of Harrisburg

ASSURED GUARANTY MUNICIPAL
CORP.

By: _____
Name:
Title:

ROGELE, INC.

By: _____
Name:
Title:

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THE HARRISBURG AUTHORITY

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____
Name:
Title:

By: _____
Name:
Title:

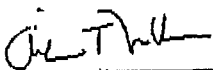
WILLIAM LYNCH, SOLELY IN HIS
CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

ASSURED GUARANTY MUNICIPAL
CORP.

By: _____
Name: William Lynch
Title: Receiver for the City of Harrisburg

By: _____
Name:
Title:

ROGELE, INC.

By: 
Name: CHRISTOPHER T. MCGUIRE
Title: VICE - PRESIDENT

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THE HARRISBURG AUTHORITY

THE COUNTY OF DALPHIN,
PENNSYLVANIA

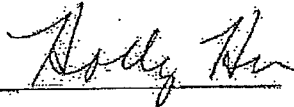
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WILLIAM LYNCH, SOLELY IN HIS
CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

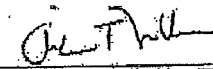
ASSURED GUARANTY MUNICIPAL
CORP.

By: _____
Name: William Lynch
Title: Receiver for the City of Harrisburg

By: 
Name:
Title:

HOLLY HORN
CHIEF SURVEILLANCE OFFICER
PUBLIC FINANCE

ROGELE, INC.

By: 
Name: CHRISTOPHER T. MCGUIRE
Title: VICE-PRESIDENT

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THE HARRISBURG AUTHORITY

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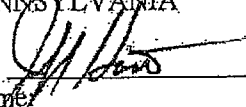
WILLIAM LYNCH, SOLELY IN HIS
CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

By: _____
Name: William Lynch
Title: Receiver for the City of Harrisburg

ROGELE, INC.

By: _____
Name:
Title:

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By:  _____
Name:
Title:

ASSURED GUARANTY MUNICIPAL
CORP.

By: _____
Name:
Title:

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Agreement") is made this ____ day of _____, 2013 by and among JEM Group, LLC ("JEM"), The Harrisburg Authority ("THA"), the County of Dauphin ("County"), Assured Guaranty Municipal Corp. ("Assured Guaranty"), and the City of Harrisburg ("City") through the Major General William Lynch, solely in his capacity as Receiver of the City and on behalf of the City (including and predecessors and successors thereof, the "Receiver"), (collectively, the "Parties").

WHEREAS, JEM Group LLC entered into a contract with THA to perform certain services regarding the retrofit of the Harrisburg Resource Recovery Facility ("RRF"); and

WHEREAS, JEM asserts that THA failed to pay JEM the full amount of the charges for its services; and

WHEREAS, JEM brought suit against THA and Covanta Harrisburg, Inc. for breach of the contract in an action captioned "JEM Group, LLC. v. The Harrisburg Authority, et al., No. 2011 CV 1768 - CV (Ct. Comm. Pleas Dauphin County)";

WHEREAS, judgment was entered against THA and incorrectly docketed at 2011-CV-2185- NT (which was subsequently consolidated into 2011-CV-1768-CV) ("Judgment");

WHEREAS, JEM sought collection of its judgment through a mandamus action docketed at 2011-CV-6958-CV at which docket number THA joined Covanta Harrisburg, Inc., Bank of New York Mellon Trust Company, NA, TD Bank, NA, and Manufacturers and Traders Trust Company as additional Defendants. (Covanta Harrisburg, Inc. was subsequently dismissed from the case)(the litigation at all three docket numbers (2011-CV-1768-CV, 2011-CV-2185-NT, and 2011-CV-6958-CV) will hereinafter be collectively referred to as the "JEM Litigation."

WHEREAS, JEM asserts that THA is required to pay it in excess of \$1,000,000 in satisfaction of its Judgment;

WHEREAS, JEM asserts that 3-T Masonry, Inc., Capitol Door & Hardware Co., Nicholas Evanoff Co., Forefront Construction, H.L. Bowman, Inc., Testing Services, Inc., and GSM Industrial, Inc. (each individually a "Subcontractor" and collectively the "Subcontractors") have performed subcontractor services for JEM as well as Maura Buildings, Inc. which has ceased doing business;

WHEREAS, the City has been placed under receivership pursuant to 53 P.S. §11701.703, and the Receiver wishes to resolve all claims that could impede a global settlement with the City's creditors;

WHEREAS, Assured Guaranty and the County are among a group of major creditors of the City (collectively, the "Major Creditors") that have agreed with the Receiver on a structure for a global settlement, the general terms of which are described in the Harrisburg Strong Plan filed by the Receiver on August 26, 2013 with the Pennsylvania Commonwealth Court presiding over the City Receivership proceedings (the "Plan");

WHEREAS, the Receiver, THA, Assured Guaranty, and the County have agreed to the terms and conditions of a sale by THA of the RRF to the Lancaster County Solid Waste Management Authority ("LCSWMA"), pursuant to the terms set forth in the Plan (the "RRF Transaction");

WHEREAS, the Receiver, Assured Guaranty and the County have also negotiated and agreed to the terms and conditions of a lease and asset transfer agreement (the "Lease") by the Harrisburg Parking Authority and the City of certain parking garages and rights relating to on-street parking (the "Parking Assets") to the Pennsylvania Economic Development Financing

Authority ("PEDFA") and the authorization by the City to PEDFA of certain rights to maintain and enforce on-street parking, pursuant to the terms set forth in the Plan (the "Parking Transaction"); and

WHEREAS, the Parties wish to settle and resolve the claims made by JEM as part of the global settlement and resolution of the financial distress of the City;

NOW THEREFORE, the Parties signatory hereto, intending to be legally bound, and for other good and valuable consideration agree, as follows:

1. This Agreement is contingent upon the closing and distribution of funds of both the RRF Transaction and the Parking Transaction.

2. Within five (5) days following the closing and distribution of funds from both of the RRF Transaction and the Parking Transaction described above, JEM shall receive the sum of Four Hundred Thousand Dollars (\$400,000) (the "Settlement Amount") by wire transfer in accordance with instructions from counsel for JEM in consideration for JEM's satisfaction of its Judgment;

3. Contemporaneously with the receipt of the Settlement Amount, JEM will discontinue the JEM Litigation and mark any judgments obtained as satisfied, and, in anticipation of such satisfaction, upon execution of this Agreement, JEM shall deliver to Fidelity National Title Group a duly executed Praecipe and Satisfaction of Judgment, to be held in escrow pending the payment to JEM of the required Settlement Amount;

4. Effective upon JEM's receipt of the Settlement Amount pursuant to the terms of this Agreement, and strictly conditioned thereupon, JEM on its own behalf and on behalf of its , affiliates, successors-in-interest and assigns, members, directors, officers, employees, agents and representatives (the "JEM Releasing Parties") do hereby forever, fully, and completely release,

acquit and discharge THA, Assured Guaranty, the City, the Receiver, and the County, and their respective elected and appointed officials, members, directors, officers, employees, agents, representatives, successors, heirs and assigns and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them (the "THA/City Released Parties"), of and from all, and all manner of, claims, actions, and causes of action, suits, debts, obligations, promises, expenses, bills, interest, liens, liabilities, dues, accounts, bonds, covenants, contracts, agreements, costs, judgments, claims and demands whatsoever, in law or in equity, or otherwise, whether known or unknown, accrued or unaccrued, which the JEM Releasing Parties ever had, now has, or can have through the date of execution hereof against the THA/City Released Parties for, or by reason of, or in connection with the RRF, and/or those matters raised in the JEM Litigation. Without limiting the generality of the foregoing, JEM acknowledges and agrees that receipt of the Settlement Amount satisfies all payment obligations, whether principal, interest, costs or otherwise, which may be due to it from THA or the City— past and present — arising from or related to the work performed by JEM on the RRF and that JEM will have no liens, claims or other rights against the RRF or LCSWMA arising from matters prior to the RRF Sale.

5. Effective upon payment and receipt of the Settlement Amount pursuant to the terms of this Agreement, and strictly conditioned thereupon, THA, Assured Guaranty, the City, the Receiver and the County on their own behalf and, as applicable, on behalf of their affiliates, successors-in-interest and assigns, members, directors, officers, employees, agents and representatives (the "THA/City Releasing Parties") do hereby forever, fully, and completely release, acquit and discharge, JEM and its surety, National American Surety NA, members, directors, officers, employees, agents, representatives, successors, heirs and assigns and their respective heirs, executors, administrators and successors-in-interest, and each and every one of

them (the "JEM Released Parties"), of and from all, and all manner of, claims, actions, and causes of action, suits, debts, obligations, promises, expenses, bills, interest, liens, liabilities, dues, accounts, bonds, covenants, contracts, agreements, costs, judgments, claims and demands whatsoever, in law or in equity, or otherwise, whether known or unknown, accrued or unaccrued, which the THA/City Released Parties ever had, now has, or can have through the date of execution hereof against the JEM Released Parties, including all warranty obligations, for, or by reason of, or in connection with the RRF, and/or those matters raised in the JEM Litigation. This paragraph 5 shall expressly not apply to the Subcontractors. Notwithstanding the foregoing, should National American Surety NA assert any claims, actions, suits, or demands whatsoever for, by reason of, or in connection with the RRF, and/or those matters raised in the JEM Litigation against the THA/City Releasing Parties then, in that event, the release granted herein to National American Surety NA shall be void and of no effect.

6. Strictly conditioned upon and following: (i) the closing of the Parking Transaction, (ii) the closing of the RRF Transaction, (iii) the payment of the Settlement Amount to JEM, and (iv) the execution and delivery to the Receiver by a Subcontractor a release, in the form attached hereto as Exhibit A, on or before March 1, 2014 (such Subcontractor a "Releasing Subcontractor"), each of THA, the County, the City, the Receiver and Assured Guaranty shall release the Releasing Subcontractor as follows: THA, Assured Guaranty, the City, the Receiver and the County and their affiliates, successors-in-interest and assigns do hereby forever, fully, and completely release, acquit and discharge the Releasing Subcontractor and its directors, officers, employees, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, of and from all, and all manner of, claims, actions, and causes of action, suits, debts, obligations, promises, expenses,

bills, interest, liens, liabilities, dues, accounts, bonds, covenants, contracts, agreements, costs, judgments, claims and demands whatsoever, in law or in equity, or otherwise, whether known or unknown, accrued or unaccrued, which THA, Assured Guaranty, the City, the Receiver and the County and their affiliates, successors-in-interest and assigns ever had, now has, or can have through the date of execution hereof against the Releasing Subcontractor and their respective directors, officers, employees, agents, representatives, servants, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, for, or by reason of, or in connection with the RRF and/or those matters raised in the JEM Litigation (the "Subcontractor Release"), including, but not limited to, all warranty claims against and obligations of the Subcontractor. JEM represents and warrants that it will utilize the Settlement Payment in compensation to and for the benefit of the Subcontractors in satisfaction of any claims and interests that are to be settled, compromised, waived and/or released by such Subcontractors in any Subcontractor Release.

7. The Parties each warrant that they have not assigned, transferred, conveyed or otherwise disposed of any claim, demand, cause of action, obligation or liability set forth in this Agreement and that they are authorized and empowered to execute this Agreement and that such execution is sufficient, pursuant to the terms hereof, to settle, compromise, waive and release the claims and interests waived and/or released hereby. JEM further represents and warrants that it is not aware of any action taken by its surety to attain or hold a claim against THA, Assured Guaranty, the City, the Receiver, or the County for, or by reason of, or in connection with the RRF, and/or those matters raised in the JEM Litigation.

8. Unless extended in writing by the parties hereto, this agreement shall terminate on the earlier of the filing of bankruptcy by the City prior to the payment of the Settlement Amount,

or the failure to pay the Settlement Amount by March 1, 2014. Upon termination the Parties shall have all claims and defenses as if the agreement had not been executed.

9. This Settlement Agreement may be signed in counterparts, all of which shall constitute one agreement binding on all Parties and the signature pages from any counterpart may be appended to any other counterpart to assemble fully executed counterparts.

10. Should any provision of this Agreement require interpretation, no party hereto shall be considered the drafter of this Agreement, nor of any provision contained herein, for the purposes of any statute, case law, or rule of interpretation or construction, that would, or might cause, any provision to be construed or interpreted as against the drafter. The Parties acknowledge and agree that this Agreement is voluntarily entered into by the Parties as a result of arm's-length negotiations and that the Parties were represented by competent counsel in deciding to enter into this Agreement.

11. This Agreement and all matters arising out of or relating to this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above.

THE HARRISBURG AUTHORITY

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

WILLIAM LYNCH, AS RECEIVER FOR
THE CITY OF HARRISBURG

ASSURED GUARANTY MUNICIPAL
CORP.

By: William B. Lynch
Name: William Lynch
Title: Receiver for the City of Harrisburg

By: _____
Name: _____
Title: _____

JEM GROUP LLC

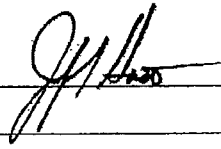
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Name: _____
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THE HARRISBURG AUTHORITY

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____

By:  _____

Name: _____

Name: _____

Title: _____

Title: _____

WILLIAM LYNCH, AS RECEIVER FOR
THE CITY OF HARRISBURG

ASSURED GUARANTY MUNICIPAL
CORP.

By: _____

By: _____

Name: William Lynch

Name: _____

Title: Receiver for the City of Harrisburg

Title: _____

JEM GROUP LLC

By: _____

Name: _____

Title: _____

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THE HARRISBURG AUTHORITY

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

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Name: _____
Title: _____

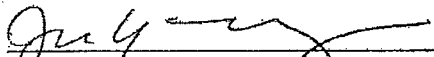
WILLIAM LYNCH, AS RECEIVER FOR
THE CITY OF HARRISBURG

ASSURED GUARANTY MUNICIPAL
CORP.

By: _____
Name: William Lynch
Title: Receiver for the City of Harrisburg

By: _____
Name: _____
Title: _____


JEM GROUP LLC

By: 
Name: Jessica E. Meyers
Title: President

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above.

THE HARRISBURG AUTHORITY

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: 
Name: Shannon G. Williams, P.E.
Title: Executive Director

By: _____
Name: _____
Title: _____

WILLIAM LYNCH, AS RECEIVER FOR
THE CITY OF HARRISBURG

ASSURED GUARANTY MUNICIPAL
CORP.

By: _____
Name: William Lynch
Title: Receiver for the City of Harrisburg

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Name: _____
Title: _____

JEM GROUP LLC

By: _____
Name: _____
Title: _____

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THE HARRISBURG AUTHORITY

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

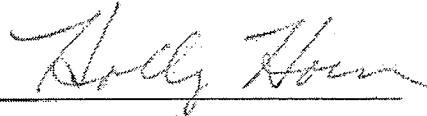
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WILLIAM LYNCH, AS RECEIVER FOR
THE CITY OF HARRISBURG

ASSURED GUARANTY MUNICIPAL
CORP.

By: _____
Name: William Lynch
Title: Receiver for the City of Harrisburg

By: 
Name: _____
Title: _____

JEM GROUP LLC

By: _____
Name: _____
Title: _____

HOLLY HORN
CHIEF FINANCIAL OFFICER
PUBLIC ENGAGE

Exhibit A

RELEASE

In consideration of the Subcontractor Release (as such term is defined in that certain Settlement Agreement by and among JEM Group, LLC. ("JEM"), The Harrisburg Authority ("THA"), the County of Dauphin ("County"), Assured Guaranty Municipal Corp. ("Assured Guaranty"), the City of Harrisburg ("City"), and the Major General William Lynch, solely in his capacity as Receiver of the City of Harrisburg on behalf of the City of Harrisburg (including and predecessors and successors thereof, the "Receiver") (collectively, the "Parties") to which the form of this Release was appended (the "JEM Settlement Agreement")¹ and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by [RELEASING SUBCONTRACTOR] and in consideration for the receipt of payment by JEM of the amount set forth on Exhibit A-1 hereof, the [RELEASING SUBCONTRACTOR] does hereby release JEM, National American Surety, MA, THA, the County, the City, the Receiver and Assured Guaranty as follows: [RELEASING SUBCONTRACTOR], on its own behalf and on behalf its affiliates, successors-in-interest and assigns, members, directors officers, employees, agents and representative do hereby forever, fully, and completely release, acquit and discharge JEM, National American Surety NA, THA, Assured Guaranty, the City, the Receiver and the County, and their respective elected and appointed officials, directors, officers, employees, agents, representatives, successors, heirs and assigns, and their respective heirs, executors, administrators, sureties and successors-in-interest, and each and every one of them, of and from all, and all manner of, claims, actions, and causes of action, suits, debts, obligations,

¹ Capitalized terms not defined herein shall have the meaning ascribed to such terms in the JEM Settlement Agreement.

promises, expenses, bills, interest, liens, liabilities, dues, accounts, bonds, covenants, contracts, agreements, costs, judgments, claims and demands whatsoever, in law or in equity, or otherwise, whether known or unknown, accrued or unaccrued, which [RELEASING SUBCONTRACTOR] and its affiliates, successors-in-interest and assigns ever had, now has, or can, shall or may in the future have against JEM, National American Surety, NA, THA, Assured Guaranty, the City, the Receiver and the County, and their respective elected and appointed officials, directors, officers, employees, agents, representatives, servants, successors, heirs and assigns, and their respective heirs, executors, administrators, sureties and successors-in-interest, and each and every one of them, for, or by reason of, or in connection with the RRF, and/or those matters raised in the following litigations: JEM Group, LLC v. The Harrisburg Authority, et al., No. 2010 CV 6958 - CV (Ct. Comm. Pleas Dauphin County); JEM Group, LLC v. The Harrisburg Authority, 2011 CV 1768 -CV; and JEM Group, LLC v. The Harrisburg Authority, 2011 CV 2185 - NT. Without limiting the generality of the foregoing, [RELEASING SUBCONTRACTOR] acknowledges and agrees that it will have no liens, claims or other rights against the RRF or LCSWMA arising from matters prior to the RRF Sale.

[RELEASING SUBCONTRACTOR] warrants to each of the Parties that it has not assigned, transferred, conveyed or otherwise disposed of any claim, demand, cause of action, obligation or liability released hereby and it is authorized and empowered to execute this Release and that such execution is sufficient, pursuant to the terms hereof, to settle, compromise, waive and release the claims and interests waived and/or released hereby.

[RELEASING SUBCONTRACTOR]

By: _____

Name: _____

Title: _____

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is made this 12th day of December, 2013 by and among **Greiner Industries, Inc. ("Greiner"), The Harrisburg Authority ("THA"), the County of Dauphin ("County"), Assured Guaranty Municipal Corp. ("Assured Guaranty"), the City of Harrisburg ("City"), and Major General William Lynch, solely in his capacity as Receiver for and on behalf of the City of Harrisburg (including any predecessor or successor thereof, the "Receiver") (collectively, the "Parties").**

WHEREAS, GREINER entered into a contract with THA to perform certain services regarding the retrofit of the Harrisburg Resource Recovery Facility ("RRF"); and

WHEREAS, GREINER asserts that THA failed to pay GREINER the full amount of the charges for its services; and

WHEREAS, GREINER asserts that THA is required to pay it in excess of \$23,946.97;

WHEREAS, the City of Harrisburg ("City") has been placed under receivership pursuant to 53 P.S. §11701. 703, and the Receiver wishes to resolve all claims that could impede a global settlement with the City's creditors;

WHEREAS, Assured Guaranty and the County are among a group of major creditors of the City (collectively, the "Major Creditors") that have agreed with the Receiver on a structure for a global settlement, the general terms of which are described in the Harrisburg Strong Plan filed by the Receiver on August 26, 2013 with the Pennsylvania Commonwealth Court presiding over the City Receivership proceedings (the "Plan");

WHEREAS, the Receiver, THA, Assured Guaranty, and the County have agreed to the terms and conditions of a sale by THA of the RRF to the Lancaster County Solid Waste

Management Authority (“LCSWMA”), pursuant to the terms set forth in the Plan (the “RRF Transaction”);

WHEREAS, the Receiver, Assured Guaranty and the County have also negotiated and agreed to the terms and conditions of a lease and asset transfer agreement (the “Lease”) by the Harrisburg Parking Authority and the City of certain parking garages and rights relating to on-street parking (the “Parking Assets”) to the Pennsylvania Economic Development Financing Authority (“PEDFA”) and the authorization by the City to PEDFA of certain rights to maintain and enforce on-street parking, pursuant to the terms set forth in the Plan (the “Parking Transaction”); and

WHEREAS, the Parties wish to settle and resolve the claims made by GREINER as part of the global settlement and resolution of the financial distress of the City;

NOW THEREFORE, the Parties signatory hereto, intending to be legally bound, and for other good and valuable consideration agree, as follows:

1. This Agreement is contingent upon the closing and distribution of funds of both the RRF Transaction and the Parking Transaction;
2. Upon the closing and distribution of funds from the RRF Transaction and the Parking Transaction described above, GREINER shall receive the sum of Nine Thousand Five Hundred Seventy-Eight Dollars and Seventy Nine Cents (\$9,578.79) (the “Settlement Amount”);
3. Upon the closing of both the Parking Transaction and the RRF Transaction, GREINER shall release THA, the County, the City, the Receiver and Assured Guaranty as set forth in this paragraph 3. Effective upon GREINER’s receipt of the Settlement Amount pursuant to the terms of this Agreement, and strictly conditioned thereupon, GREINER, on behalf of itself and, as applicable, affiliates, successors-in-interest, assigns, members, directors officers,

employees, agents and representatives do hereby forever, fully, and completely release, acquit and discharge THA, Assured Guaranty, the City, the Receiver and the County, and their respective elected and appointed officials, directors, officers, employees, agents, representatives, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, of and from all, and all manner of, claims, actions, and causes of action, suits, debts, obligations, promises, expenses, bills, interest, liens, liabilities, dues, accounts, bonds, covenants, contracts, agreements, costs, judgments, claims and demands whatsoever, in law or in equity, or otherwise, whether known or unknown, accrued or unaccrued, which GREINER and its respective affiliates, successors-in-interest and assigns ever had, now has, or can, shall or may in the future have against THA, Assured Guaranty, the City, the Receiver and the County, and their respective elected and appointed officials, directors, officers, employees, agents, representatives, servants, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, for, or by reason of, or in connection with the RRF. Without limiting the generality of the foregoing, GREINER acknowledges and agrees that receipt of the Settlement Amount satisfies all payment obligations, whether principal, interest, costs or otherwise, which may be due to it from THA or the City— past, present and future – arising from or related to the work performed by GREINER on the RRF and that GREINER will have no liens, claims or other rights against the RRF, LCSWMA or otherwise arising from matters prior to the RRF Transaction.

4. Upon the closing of both the Parking Transaction and the RRF Transaction, each of THA, the County, the City, the Receiver and Assured Guaranty shall release GREINER as set forth in this paragraph 4. Effective upon payment and receipt of the Settlement Amount pursuant

to the terms of this Agreement, and strictly conditioned thereupon, THA, Assured Guaranty, the City, the Receiver and the County, each on behalf of themselves and, as applicable, their respective affiliates, successors-in-interest, assigns, members, directors officers, employees, agents and representatives do hereby forever, fully, and completely release, acquit and discharge, GREINER and its respective affiliates, directors, officers, employees, agents, representatives, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, of and from all, and all manner of, claims, actions, and causes of action, suits, debts, obligations, promises, expenses, bills, interest, liens, liabilities, dues, accounts, bonds, covenants, contracts, agreements, costs, judgments, claims and demands whatsoever, in law or in equity, or otherwise, whether known or unknown, accrued or unaccrued, which THA, Assured Guaranty, the City, the Receiver and the County and their respective affiliates, successors-in-interest and assigns ever had, now has, or can, shall or may in the future have against GREINER and its respective directors, officers, employees, agents, representatives, servants, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, for, or by reason of, or in connection with the RRF.

5. The Parties each warrant that they have not assigned, transferred, conveyed or otherwise disposed of any claim, demand, cause of action, obligation or liability set forth in this Agreement.

6. The parties each represent and warrant, on their own behalf, that they are authorized and empowered to execute this Agreement and that such execution is sufficient, pursuant to the terms hereof, to settle, compromise and release the claims and interests settled, compromised and/or released hereby.

7. Unless extended in writing by the parties hereto, this Agreement shall terminate on the earlier of (i) abandonment by the Receiver, or failure of the Receiver to obtain court approval of the Plan, (ii) the filing of bankruptcy by the City prior to the payment of the Settlement Amount, or (iii) the failure to consummate the terms of paragraphs 1 and 2 of this Agreement by March 1, 2014. Upon termination, the Parties shall have all claims and defenses as if this Agreement had not been executed.

8. This Settlement Agreement may be signed in counterparts, all of which shall constitute one agreement binding on all Parties.

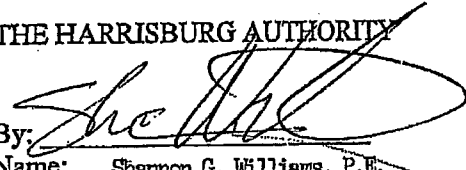
9. This Agreement and all matters arising out of or relating to this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

10. Should any provision of this Agreement require interpretation, no party shall be considered the drafter of this Agreement, nor of any provision contained herein, for the purposes of any statute, case law, or rule of interpretation or construction, that would, or might cause, any provision to be construed or interpreted as against the drafter. The Parties acknowledge and agree that this Agreement is voluntarily entered into by the Parties as a result of arm's-length negotiations and that the Parties were represented by competent counsel in deciding to enter into this Agreement.

11. Nothing in this Agreement shall be construed against any party as an admission of liability, or of the admission of any fact, or as a concession of any matters relating to the disputes resolved hereby.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above.

THE HARRISBURG AUTHORITY

By: 
Name: Sharon G. Williams, P.E.
Title: Executive Director

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____
Name:
Title:

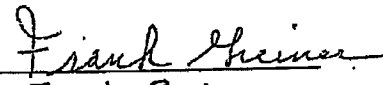
WILLIAM LYNCH, SOLELY IN HIS
CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

By: _____
Name: William Lynch
Title: Receiver for the City of Harrisburg

ASSURED GUARANTY MUNICIPAL
CORP.

By: _____
Name:
Title:

GREINER INDUSTRIES, INC.

By: 
Name: Frank Greiner
Title: President

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above.

THE HARRISBURG AUTHORITY

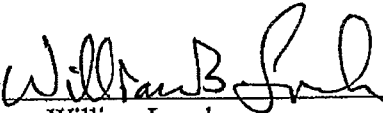
THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____
Name:
Title:

By: _____
Name:
Title:

WILLIAM LYNCH, SOLELY IN HIS
CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

ASSURED GUARANTY MUNICIPAL
CORP.

By: 
Name: William Lynch
Title: Receiver for the City of Harrisburg

By: _____
Name:
Title:

GREINER INDUSTRIES, INC.

By: _____
Name:
Title:

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THE HARRISBURG AUTHORITY

By: _____
Name:
Title:

WILLIAM LYNCH, SOLELY IN HIS
CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

By: _____
Name: William Lynch
Title: Receiver for the City of Harrisburg

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____
Name:
Title:

ASSURED GUARANTY MUNICIPAL
CORP.

By: _____
Name:
Title:

GREINER INDUSTRIES, INC.

By: Frank Greiner
Name: Frank Greiner
Title: President

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Name:
Title:

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OF HARRISBURG

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Name: William Lynch
Title: Receiver for the City of Harrisburg

GREINER INDUSTRIES, INC.

By: _____
Name:
Title:

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____
Name:
Title:

ASSURED GUARANTY MUNICIPAL
CORP.

By: _____
Name:
Title:

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Title:

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CAPACITY AS RECEIVER FOR THE CITY
OF HARRISBURG

By: _____
Name: William Lynch
Title: Receiver for the City of Harrisburg

THE COUNTY OF DAUPHIN,
PENNSYLVANIA

By: _____
Name:
Title:

ASSURED GUARANTY MUNICIPAL
CORP.

By: _____
Name:
Title:

HOLLY HOORN
CHIEF FINANCIAL OFFICER
PUBLIC FINANCE

GREINER INDUSTRIES, INC.

By: _____
Name:
Title:

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is made this _____ day of _____, 2013 by and among Covanta Harrisburg, Inc. ("Covanta Harrisburg"), The Harrisburg Authority ("THA"), the County of Dauphin ("County"), Assured Guaranty Municipal Corp. ("Assured Guaranty") and Major General William Lynch, solely in his capacity as Receiver (including any predecessor or successor thereof, the "Receiver") for the City of Harrisburg (collectively, the "Parties").

WHEREAS, Covanta Harrisburg and THA entered into a Management and Professional Service Agreement ("MPS Agreement") to coordinate the construction, start-up, performance testing, operation and maintenance of the Harrisburg Resource Recovery Facility ("RRF"), including the completion of the retrofit construction; and

WHEREAS, the City of Harrisburg ("City") guaranteed THA's obligations to repay the Advance under and as defined in the MPS Agreement; and

WHEREAS, pursuant to the provisions of the MPS Agreement, Covanta Harrisburg advanced \$21,736,000 to THA and THA was obligated to the pay that amount plus interest back to Covanta Harrisburg; and

WHEREAS, THA made the first three installment payments, but in April, 2010, failed to pay the required installment payment and has failed to make any further installment payments; and

WHEREAS, Covanta Harrisburg brought suit against the City for breach of the MPS Agreement in an action captioned "Covanta Harrisburg, Inc. v. City of Harrisburg, No. 2010 CV 13120 (Ct. Comm. Pleas Dauphin County)"; and

WHEREAS, the City has been placed under receivership pursuant to 53 P.S. §11701.703, and the Receiver wishes to resolve all claims that could impede a global settlement with the City's creditors; and

WHEREAS, Assured Guaranty and the County are major creditors of the City of Harrisburg and have agreed with the Receiver on a possible structure for a global settlement; and

WHEREAS, the Receiver, THA, Assured Guaranty, and the County have agreed to the terms and conditions of a sale by THA of the Resource Recovery Facility in Harrisburg to the Lancaster County Solid Waste Management Authority ("LCSWMA"); and

WHEREAS, LCSWMA and Covanta Lancaster, Inc. ("Covanta Lancaster") are parties to a September 25, 1987 Service Agreement (the "LS Agreement") concerning LCSWMA's Conoy Township facility; and

WHEREAS, the Receiver, Assured Guaranty and the County are negotiating the terms and conditions of a lease by the Harrisburg Parking Authority and the City of certain parking garages to the Pennsylvania Economic Development Financing Authority ("PEDFA") and the authorization by the City to PEDFA of certain rights to maintain and enforce on-street parking; and

WHEREAS, the Parties wish to settle and resolve the claims of Covanta Harrisburg as part of the global settlement and resolution of the financial distress of the City and to avoid the potential for any delay or interruption of the distribution of funds from a closing on the prospective sale of the RRF; and

NOW THEREFORE, the Parties signatory hereto, intending to be legally bound, and for other good and valuable consideration agree, as follows:

1. This agreement is contingent upon the closing and distribution of funds of both the sale of the RRF to LCSWMA (the "RRF Sale") and lease and authorization to PEDFA of certain parking garages and rights relating to on-street parking.

2. Upon the closing and distribution of funds from the RRF Sale and the lease and authorization of the facilities, parking garages and on-street parking rights described above, Covanta Harrisburg shall receive Nine Million Five Hundred Thousand Dollars (\$9,500,000) (the "Settlement Amount"). In addition to the Settlement Amount, Covanta Harrisburg and LCSWMA have agreed that they will enter into an amended MPS Agreement (the "Amended MPS"), the final version of which is attached hereto as Exhibit A.

3. Effective upon the receipt of the Settlement Amount by Covanta Harrisburg and the Amended MPS becoming effective, and strictly conditioned thereupon, Covanta Harrisburg will discontinue the suit against the City captioned "Covanta Harrisburg, Inc. v. City of Harrisburg, No. 2010 CV 13120 (Ct. Comm. Pleas Dauphin County)" and will mark any judgment it has against THA and the City in connection therewith satisfied in full and will release any liens, claims or rights against the RRF.

4. Covanta Harrisburg agrees to take no action with respect to collection or enforcement of any judgment against the City, until the termination of this agreement as set forth in Paragraph 9 hereof, or such time prior thereto if Covanta Harrisburg receives notice from the Receiver that the Settlement Amount will not be paid.

5. Effective upon the closing of both the RRF Sale and lease and authorization to PEDFA of certain parking garages and rights relating to on-street parking, the receipt of the Settlement Amount by Covanta Harrisburg and the Amended MPS becoming effective pursuant to the terms thereof, and strictly conditioned thereupon, Covanta Harrisburg, on behalf of itself

and its affiliates (including, without limitation, Covanta Energy Services, Inc.), successors-in-interest, assignors and assigns, except as otherwise provided below, do hereby forever, fully, and completely release, acquit and discharge THA, Assured Guaranty, the City, the Receiver and the County and each of their respective elected and appointed officials, directors, officers, employees, agents, representatives, successors, heirs, assignors and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, of and from all, and all manner of, claims, actions, and causes of action, suits, debts, obligations, promises, expenses, bills, interest, liens, liabilities, dues, accounts, bonds, covenants, contracts, agreements, costs, judgments, claims and demands whatsoever, in law or in equity, or otherwise, whether known or unknown, accrued or unaccrued, which Covanta Harrisburg and its respective affiliates, successors-in-interest, assignors and assigns ever had, now has, or can, shall or may in the future have against THA, Assured Guaranty, the City, the Receiver and the County, and their respective elected and appointed officials, directors, officers, employees, agents, representatives, servants, successors, heirs, assignors and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, for, or by reason of, or in connection with the RRF, the MPS Agreement, the Construction Management Agreement, as amended, and/or those matters raised in the litigation styled Covanta Harrisburg, Inc. v. City of Harrisburg, No. 2010 CV 13120 (Ct. Comm. Pleas Dauphin County). Without limiting the generality of the foregoing, Covanta Harrisburg acknowledges and agrees that receipt of the Settlement Amount satisfies all payment obligations, whether principal, interest, costs or otherwise, which may be due to it from THA or the City— past, present and future — arising from or related to repayment of the Advance, as defined in the MPS Agreement and that Covanta Harrisburg will have no liens, claims or other rights against the RRF or LCSWMA arising from

matters prior to the RRF Sale; provided, however, that nothing herein shall be construed to limit, release, otherwise alter the rights and obligations set forth in the Amended MPS.

6. Upon the closing of both the sale of the RRF to LCSWMA and lease and authorization to PEDFA of certain parking garages and rights relating to on-street parking, the receipt of the Settlement Amount by Covanta Harrisburg and the Amended MPS becoming effective pursuant to the terms thereof, and strictly conditioned thereupon, each of THA, Assured Guaranty, the City, the Receiver and the County, on behalf of themselves and their respective affiliates, successors-in-interest, assignors and assigns, except as otherwise provided below, do hereby forever, fully, and completely release, acquit and discharge, Covanta Harrisburg and its directors, officers, employees, agents, representatives, successors, heirs, assignors and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, of and from all, and all manner of, claims, actions, and causes of action, suits, debts, obligations, promises, expenses, bills, interest, liens, liabilities, dues, accounts, bonds, covenants, contracts, agreements, costs, judgments, claims and demands whatsoever, in law or in equity, or otherwise, whether known or unknown, accrued or unaccrued, which THA, Assured Guaranty, the City, the Receiver and the County and their respective affiliates, successors-in-interest, assignors and assigns ever had, now has, or can, shall or may in the future have against Covanta Harrisburg and their respective directors, officers, employees, agents, representatives, servants, successors, heirs, assignors and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, for, or by reason of, or in connection with the RRF, the MPS Agreement, the Construction Management Agreement, as amended, and/or those matters raised in the litigation styled Covanta Harrisburg, Inc. v. City of Harrisburg, No. 2010 CV 13120 (Ct. Comm. Pleas Dauphin County); provided, however, that

nothing herein shall be construed to limit, release, or otherwise alter the rights and obligations set forth in the Amended MPS.

7. Notwithstanding the foregoing provisions of Paragraphs 5 and 6, above, THA and Covanta Harrisburg do not release each other or their respective elected and appointed officials, directors, officers, employees, agents, representatives, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest from (a) any obligations arising under the MPS Agreement for occurrences prior to closing of the RRF Sale that remain unsatisfied, other than the obligation to re-pay the Advance, as defined in the MPS Agreement, (b) any obligation of indemnity under Section 12 of the MPS Agreement for occurrences prior to the closing of the RRF Sale, for so long as such obligation of indemnity would survive termination of the MPS Agreement in accordance with Section 12.G. of the MPS Agreement, assuming for purposes of this provision, termination of the MPS Agreement as of the date of the RRF Sale or (c) any obligations arising under that Pro-Ration Agreement between THA, Covanta Harrisburg and the Lancaster County Solid Waste Management Authority. As of the date of execution of this Agreement, neither Covanta Harrisburg nor THA has notice of any obligation set forth in Paragraph 7(a) or (b) which would form the basis of a claim against the other party.

8. The Parties each warrant that they have not assigned, transferred, conveyed or otherwise disposed of any claim, demand, cause of action, obligation or liability set forth in this Agreement.

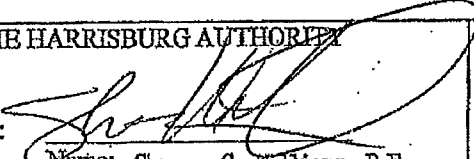
9. Unless extended in writing by the parties hereto, this Agreement shall terminate on the earlier of (i) abandonment by the Receiver, or failure of the Receiver to obtain court approval, of the Plan, (ii) the filing of bankruptcy by the City prior to the payment of the

Settlement Amount, or (iii) the failure to consummate the terms of Paragraphs 1 and 2 of this Agreement by January 31, 2014. Upon termination, the Parties shall have all claims and defenses as if this Agreement had not been executed.

10. This Settlement Agreement may be signed in counterparts, all of which shall constitute one agreement binding on all Parties.

11. Should any provision of this Agreement require interpretation, no party shall be considered the drafter of this Agreement, nor of any provision contained herein, for the purposes of any statute, case law, or rule of interpretation or construction, that would, or might cause, any provision to be construed or interpreted as against the drafter. The Parties acknowledge and agree that this Agreement is voluntarily entered into by the Parties as a result of arm's-length negotiations and that the Parties were represented by competent counsel in deciding to enter into this Agreement.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above.

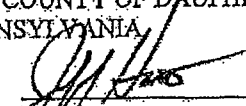
<p>THE HARRISBURG AUTHORITY</p> <p>By: </p> <p>Name: Sharon G. Williams, P.E. Title: Executive Director</p>	<p>THE COUNTY OF DAUPHIN, PENNSYLVANIA</p> <p>By: _____</p> <p>Name: _____ Title: _____</p>
<p>WILLIAM LYNCH, SOLELY IN HIS CAPACITY AS RECEIVER FOR THE CITY OF HARRISBURG</p> <p>By: _____</p> <p>Name: William Lynch Title: Receiver for the City of Harrisburg</p>	<p>ASSURED GUARANTY MUNICIPAL CORP.</p> <p>By: _____</p> <p>Name: _____</p>

Settlement Amount, or (iii) the failure to consummate the terms of Paragraphs 1 and 2 of this Agreement by January 31, 2014. Upon termination, the Parties shall have all claims and defenses as if this Agreement had not been executed.

10. This Settlement Agreement may be signed in counterparts, all of which shall constitute one agreement binding on all Parties.

11. Should any provision of this Agreement require interpretation, no party shall be considered the drafter of this Agreement, nor of any provision contained herein, for the purposes of any statute, case law, or rule of interpretation or construction, that would, or might cause, any provision to be construed or interpreted as against the drafter. The Parties acknowledge and agree that this Agreement is voluntarily entered into by the Parties as a result of arm's-length negotiations and that the Parties were represented by competent counsel in deciding to enter into this Agreement.

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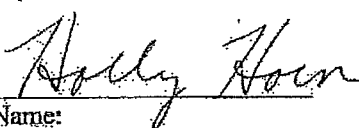
<p>THE HARRISBURG AUTHORITY</p> <p>By: _____ Name: Title:</p>	<p>THE COUNTY OF DAUPHIN, PENNSYLVANIA</p> <p>By:  Name: Title:</p>
<p>WILLIAM LYNCH, SOLELY IN HIS CAPACITY AS RECEIVER FOR THE CITY OF HARRISBURG</p> <p>By: _____ Name: William Lynch Title: Receiver for the City of Harrisburg</p>	<p>ASSURED GUARANTY MUNICIPAL CORP.</p> <p>By: _____ Name:</p>

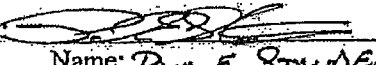

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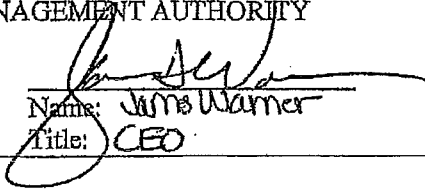
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<p>WILLIAM LYNCH, SOLELY IN HIS CAPACITY AS RECEIVER FOR THE CITY OF HARRISBURG</p> <p>By: _____ Name: William Lynch Title: Receiver for the City of Harrisburg</p>	<p>ASSURED GUARANTY MUNICIPAL CORP.</p> <p>By:  Name: HOLLY HORN CHIEF SURVEILLANCE OFFICER PUBLIC FINANCE</p>

	Title:
COVANTA HARRISBURG, INC. By:  <i>KAB</i> Name: <i>PAUL E. STAUDER</i> Title: <i>SVP</i>	
For purposes of evidencing consent: COVANTA LANCASTER, INC. By:  <i>KAB</i> Name: <i>PAUL E. STAUDER</i> Title: <i>SVP</i>	For purposes of evidencing consent: LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY By: _____ Name: Title:

	Title:
COVANTA HARRISBURG, INC. By: _____ Name: Title:	
For purposes of evidencing consent: COVANTA LANCASTER, INC. By: _____ Name: Title:	For purposes of evidencing consent: LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY By:  Name: James Warner Title: CEO

Settlement Amount, or (iii) the failure to consummate the terms of Paragraphs 1 and 2 of this Agreement by January 31, 2014. Upon termination, the Parties shall have all claims and defenses as if this Agreement had not been executed.

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<p>THE HARRISBURG AUTHORITY</p> <p>By: _____ Name: Title:</p>	<p>THE COUNTY OF DAUPHIN, PENNSYLVANIA</p> <p>By: _____ Name: Title:</p>
<p>WILLIAM LYNCH, SOLELY IN HIS CAPACITY AS RECEIVER FOR THE CITY OF HARRISBURG</p> <p>By: <u>William Lynch</u> Name: William Lynch Title: Receiver for the City of Harrisburg</p>	<p>ASSURED GUARANTY MUNICIPAL CORP.</p> <p>By: _____ Name:</p>

EXHIBIT A

AMENDED AND RESTATED MANAGEMENT AND PROFESSIONAL SERVICES AGREEMENT

THIS AMENDED AND RESTATED MANAGEMENT AND PROFESSIONAL SERVICES AGREEMENT (this "Agreement") is made this 30th day of September 2013 between the LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY, a municipal authority organized and operating pursuant to the Municipality Authorities Act of 1945, the Act of May 2, 1945, as amended (the "LCSWMA") and COVANTA HARRISBURG, INC., a Delaware corporation ("Covanta Harrisburg").

Background: On May 29, 2007 The Harrisburg Authority and the City of Harrisburg entered into that certain Management and Professional Services Agreement (the "Original Agreement") with Covanta Harrisburg. It is anticipated that on or about November 18, 2013 (the "Closing Date"), LCSWMA will purchase the existing waste-to-energy facility now known as the Harrisburg Materials Energy, Recycling and Recovery Facility (the "Facility") from The Harrisburg Authority. Upon Closing, the Facility shall be known as the Susquehanna Resource Management Complex or SRMC. Effective on the Closing Date The Harrisburg Authority and the City of Harrisburg will assign to LCSWMA all of their rights and obligations under the Original Agreement arising on or after the Closing Date, and this Amended and Restated Agreement will become effective and supersede and replace the Original Agreement as between Covanta Harrisburg and LCSWMA. The obligations of the parties to one another under the Original Agreement that have accrued before the Closing Date shall continue in full force and effect until satisfied or waived by the respective obligee. On the Closing Date LCSWMA and the Borough of Columbia ("Columbia"), a political subdivision located in the County of Lancaster, Pennsylvania, will enter into an Intermunicipal Agreement for Lease of the SRMC Electrical Plant and Steam Sale and Purchase (the "Steam Agreement") pursuant to which LCSWMA will lease the Electrical Plant to Columbia. Columbia will sell the electricity and capacity of the Electrical Plant to the Department of General Services of the Commonwealth of Pennsylvania ("DGS") under a 20-year Power Purchase Agreement. As part of the amendment and restatement of this Agreement Covanta Harrisburg and Columbia will enter into a Management and Professional Services Agreement (the "Columbia MPSA") for the Electrical Plant services no longer being performed under this Amended and Restated Agreement.

Intending to be legally bound, the Parties agree as follows:

1. **Incorporation of Background paragraph and Exhibits**

A. The Background paragraph above and Exhibits attached hereto are incorporated herein and are made a part hereof as if fully set forth.

B. The Exhibits to this Agreement consist of:

Exhibit A	Definitions
Exhibit B	Columbia MPSA
Exhibit C	Electrical Plant Description
Exhibit D	Operation and Maintenance Expenses and Responsible Party

Exhibit E	Facility Operations
Exhibit F	Performance Standards
Exhibit G	Payments to Covanta Harrisburg for Management Services
Exhibit H	Project Agreements and Permits
Exhibit I	Facility Description and Facility Site
Exhibit J	The Steam Agreement
Exhibit K	Capital Improvement Schedule.

2. Engagement for Services

A. LCSWMA hereby engages Covanta Harrisburg to provide certain management and professional services at and for the Facility beginning on the Closing Date, as more fully set forth in this Agreement.

B. Covanta Harrisburg hereby accepts the engagement by LCSWMA to provide certain management and professional services at and for the Facility beginning on the Closing Date, as more fully set forth in this Agreement.

C. LCSWMA shall not be responsible for any obligations under the Original Agreement and in particular, without limiting the generality of the foregoing, LCSWMA shall be liable for the Early Termination Amount only as provided in this amended and restated Agreement. THA will be responsible for any Operation and Maintenance Expenses set forth on Exhibit D, subsection B, to the extent such expenses are applicable to the period prior to the LCSWMA Term and LCSWMA shall be responsible for such expenses during the LCSWMA Term. Compliance with the Performance Standards set forth on Exhibit F shall be determined on the basis of all of calendar Year 2013 and shall not be divided into less than twelve month Years. In calendar Year 2013, with respect to Exhibit G: (i) the Base Management Fee shall be prorated between THA and LCSWMA as of the beginning of the LCSWMA Term, (ii) the Special Recovery Fee shall be the responsibility of LCSWMA and (iii) the Performance Damages, Throughput Damages, Excess Waste Fee, and Maximum Residue Limit Fee shall be calculated based on the performance of the Facility for all of calendar Year 2013 and allocated based on the number of days of ownership. To the extent THA does not pay certain of the fees set forth in Exhibit G on the Closing Date because the precise amount of the fee cannot be calculated until after the end of calendar Year 2013, then prior to the Closing Date, LCSWMA shall cause THA to post cash or other security reasonably acceptable to Covanta Harrisburg for such amounts.

3. Term of Agreement

A. Covanta Harrisburg shall provide management services, as more specifically described in Section 6 below, for a period from the Closing Date through December 31, 2017 (the "LCSWMA Term"), unless earlier terminated as set forth herein.

B. Beginning no later than January 1, 2016 LCSWMA, for a twelve month period, will negotiate exclusively and in good faith with Covanta Harrisburg or an Affiliate of Covanta Harrisburg for an extension of this Agreement and the September 25, 1987 Service Agreement with Covanta Lancaster, Inc. for LCSWMA's Conoy Township Facility. All such negotiations shall be handled in compliance with Applicable Law, consistent with past practice,

and on arms-length basis. Neither LCSWMA nor Covanta Harrisburg or its Affiliates have any obligation to enter into any agreement.

C. Upon the termination or expiration of this Agreement, Covanta Harrisburg agrees to cooperate with LCSWMA in effecting an orderly transition of the management of the Facility to LCSWMA, a replacement Facility manager or its contractor.

D. LCSWMA's acquisition of the Facility and Covanta Harrisburg's release of The Harrisburg Authority and the Facility from the obligation to repay the Advance (as defined in the Original Agreement) to Covanta Harrisburg shall be a condition precedent to the occurrence of the Closing Date and the amendment and restatement of this Agreement. LCSWMA's extension of the September 25, 1987 Service Agreement with Covanta Lancaster, Inc. for LCSWMA's Conoy Township Facility to December 31, 2017 under the existing terms and conditions and Covanta Harrisburg's receipt of payment of \$9.5 million from the Harrisburg Receiver shall be conditions precedent to Covanta Harrisburg's consent to the occurrence of the Closing Date and the amendment and restatement of this Agreement. If the Closing Date does not occur the amendment and restatement of this Agreement shall be void ab initio.

4. Representations and Warranties

A. LCSWMA represents and warrants to Covanta Harrisburg as follows:

(1) LCSWMA is organized and exists as a municipal authority under the laws of the Commonwealth of Pennsylvania, and is duly authorized to carry on the functions and operations as contemplated by this Agreement.

(2) Upon the Closing Date, LCSWMA will be the owner of the Facility and is authorized to enter into this Agreement; this Agreement does not conflict with any applicable law (including any public bidding requirements), contract, lease, instrument or other obligations to which it is a party or by which it is bound; and this Agreement represents a valid and binding obligation of LCSWMA, enforceable in accordance with its terms.

B. Covanta Harrisburg represents and warrants to LCSWMA as follows:

(1) Covanta Harrisburg is organized and exists as a corporation under the laws of the State of Delaware, and is authorized to carry on the functions and operations as contemplated by this Agreement.

(2) Covanta Harrisburg is authorized to enter into this Agreement; this Agreement does not conflict with any judgment, order, law, ordinance or regulation applicable to Covanta Harrisburg, or any contract, lease, instrument or other agreement or obligations to which Covanta Harrisburg is bound; and this Agreement represents a valid and binding obligation of Covanta Harrisburg, enforceable in accordance with its terms.

5. Responsibilities of LCSWMA

A. LCSWMA shall:

(1) Maintain a LCSWMA representative who shall have knowledge of the Facility, and be available at all reasonable times and on reasonable notice for consultation with Covanta Harrisburg.

(2) Negotiate and prepare Waste Disposal Agreements to provide adequate Acceptable Waste to meet the projected operating requirements. If waste flow into the Facility is deficient of its Processing capabilities, then upon prior written request LCSWMA will discuss in good faith with Covanta Harrisburg methods of increasing Acceptable Waste deliveries to the Facility for Processing.

(3) Use commercially reasonable efforts to bill and collect applicable tip fees for Waste Processed.

(4) On behalf of Columbia, negotiate, prepare and enter into Energy Agreements for the sale of electricity and capacity generated by the Facility, and assist in the management of customer relationships and accounts and assist Columbia in holding and maintaining all Permits required for the sale and delivery of electricity and capacity.

(5) Assist Covanta Harrisburg by promptly placing at its disposal all available information pertinent to the Facility or to calculating amounts owed by one party to the other hereunder.

(6) Give prompt written notice to Covanta Harrisburg whenever LCSWMA observes or otherwise becomes aware of any breach of this Agreement or the Columbia MPSA by Covanta Harrisburg.

(7) Pay the costs of operating and maintaining the Mass Burn Facility, in the manner set forth in Exhibit D hereof.

(8) Pay the Management Fee and Incentive Payment.

(9) Be responsible, at LCSWMA's own cost, for all Residue management and disposal. LCSWMA's Residue management and disposal shall include the transportation and means of transport of Residue from the ash landfill on the Facility Site to the end disposal site.

(10) Fund any adverse financial impacts affecting the Facility arising from events of Force Majeure.

(11) Enforce LCSWMA's rights under the Waste Disposal Agreements and ensure that Columbia enforces its rights under the Energy Agreements.

(12) Provide at a LCSWMA Facility or through Disposal Agreements sufficient disposal capacity for all Residue and Bypass Waste and pay all disposal fees for Residue and Bypass Waste.

(13) Obtain all financing required to pay capital costs of changes to the Facility to be paid for by LCSWMA in accordance with Exhibit K or otherwise approved by

LCSWMA or any changes to the Facility or the Facility Site required as a result of Force Majeure agreed to by the Parties.

(14) Obtain and maintain insurance as provided in Article 9 hereof, except to the extent LCSWMA has exercised its option under this Agreement for Covanta Harrisburg to obtain and maintain insurance coverage that meets all stipulated guidelines in the Agreement, LCSWMA will obtain an appraisal of the Facility promptly to support the initial placement of all property insurances with the cost of such appraisal to be borne by LCSWMA. Covanta Harrisburg shall receive a copy of the appraisal upon completion.

(15) Pay all Taxes relating to the Facility and/or the performance by Covanta Harrisburg of its obligations under this Agreement (excluding any payroll and income Taxes and all other Taxes measured by Covanta Harrisburg's net income) such that Covanta Harrisburg shall not directly or indirectly be responsible for payment thereof and such that no Tax liens of any nature whatsoever are placed upon the Facility or the Facility Site. Covanta Harrisburg shall provide LCSWMA with invoices for such Taxes, charges and assessments, together with cost substantiation therefor, and LCSWMA shall pay such invoices within thirty (30) days after the receipt thereof. With regard to the City's mercantile and business privilege tax (the "City Mercantile Tax"), to the extent the amount of such tax is in excess of \$30,000 per Year, the Management Fee shall be increased in the succeeding Year by the amount of such excess paid by Covanta Harrisburg in the prior Year.

(16) Provide and pay for water to the Facility and Facility Site; provided, however, that Covanta Harrisburg shall use effluent water supplied and treated at LCSWMA's cost for any processes that would be economically feasible, taking into consideration potential damage to the turbine and related facilities and potential operating cost increases.

B. While this Agreement is in effect, LCSWMA shall not offer employment to, or hire, any of Covanta Harrisburg's staff or former staff, without prior notice to and the written approval of Covanta Harrisburg.

C. LCSWMA shall perform its obligations and duties under this Agreement in a competent and business-like manner, and shall cooperate in all reasonable respects with Covanta Harrisburg, so that Covanta Harrisburg may perform its obligations under this Agreement in a proper and satisfactory manner.

D. Facility Operating Expenses shall be determined as set forth in Exhibit D in this Agreement and shall be paid pursuant to the terms of this Agreement

E. LCSWMA shall indemnify and hold harmless Covanta Harrisburg from all loss, cost, damage and expense, including reasonable fees of counsel, arising by reason of any breach of the Steam Agreement or the Columbia MPSA by Columbia.

F. LCSWMA shall open, operate, maintain and control the Escrow Account for which the Steam Agreement provides (the "Electricity Escrow Account") and ensure that Covanta Harrisburg's fees under the Columbia MPSA are paid when and as due from the Electricity Escrow Account.

6. Responsibilities of Covanta Harrisburg.

A. Operation and Maintenance Activity.

(1) Covanta Harrisburg will be responsible for:

(a) Producing weekly, monthly, and annual reports necessary to track Facility performance and as required under any of LCSWMA's financing arrangements, including stack test results, Acceptable Waste processed, energy production, scrap recovery amounts, quantities of utilities used, and Facility outages and, any other reasonable operating reports requested by LCSWMA.

(b) Scheduling and managing all scheduled unit outages to minimize Bypassed Waste.

(c) Managing all unscheduled unit outages, repairs and maintenance.

(d) Supplying and maintaining an adequate inventory of all necessary chemicals, consumables, reagents, parts (excluding capital improvements) and supplies necessary for the safe and reliable operation of the Facility.

(e) Maintaining, fueling and replacing (when necessary) rolling stock, other than rolling stock for use on the tipping floor or for Residue disposal (for which LCSWMA shall be responsible for maintaining, fueling and replacing (when necessary) at its own cost), needed to operate the Facility and the other on-site operations directly related thereto. Unless such rolling stock is leased, any replacement rolling stock, whether purchased before or during the LCSWMA Term, will be registered or titled in Covanta Harrisburg's name with title passing to LCSWMA at termination of the Agreement upon payment by LCSWMA of fair market value therefor.

(f) Managing the Facility in a manner that will satisfy Section 8 hereof.

(g) Preparing and submitting all reports required or reasonably requested by LCSWMA relating to the Facility (including all environmental reports required by law, Pennsylvania Department of Environmental Protection regulations, rules, policies and orders and the environmental Permits associated with the Facility).

(h) Operating the Facility in all material respects in compliance with all Applicable Laws and Permits.

(i) Operating the Facility in accordance with the terms and conditions of this Agreement and the Columbia MPSA.

(j) Paying all payroll and income Taxes and all other Taxes measured by Covanta Harrisburg's payroll and net income, such that LCSWMA shall not directly or indirectly be responsible for payment thereof and such that no Tax liens related to such Taxes are placed upon the Facility or the Facility Site.

(k) Assisting LCSWMA with the public dissemination of environmental operating data for the Facility, including information posted on LCSWMA's website regarding the Facility's stack test report results.

(l) Assisting LCSWMA in obtaining compliance with the SRMC Rules and Regulations.

(m) Obtain all financing required to pay capital costs of changes to the Facility to be paid by Covanta Harrisburg in accordance with Exhibit K.

B. Covanta Harrisburg shall, to the extent commercially reasonable and consistent with Prudent Industry Practices, operate and maintain the Facility and Facility Site in a manner consistent with the applicable Performance Standards in accordance with Section 8 of this Agreement and with the Dresser-Rand manufacturer's performance curve for the Facility's turbine generator.

C. Covanta Harrisburg shall give prompt written notice to LCSWMA whenever Covanta Harrisburg observes or otherwise becomes aware of any breach of this Agreement by LCSWMA.

D. Covanta Harrisburg shall give prompt written notice to LCSWMA whenever Covanta Harrisburg observes or otherwise becomes aware of any breach of the Columbia MPSA by Columbia.

E. On an annual basis by October 1 of each Year Covanta Harrisburg shall prepare and submit to LCSWMA an annual outage maintenance schedule, setting forth projected outage events, and projected capital improvements for the succeeding three (3) years or the remaining portion of the LCSWMA Term, whichever is shorter.

F. Covanta Harrisburg shall perform its obligations and duties under this Agreement in a competent and business-like manner, consistent with Prudent Industry Practices, and shall cooperate in all reasonable respects with LCSWMA.

G. Covanta Harrisburg shall at Covanta Harrisburg's own cost transport all Residue from the Facility discharge point to the ash landfill located on the Facility Site.

H. A description of the expenses to be paid by Covanta Harrisburg from Covanta Harrisburg's Fee are set forth in Exhibit D.

I. Covanta Harrisburg shall be responsible to provide all staff, management and operational resources necessary to operate and maintain the Facility in a manner consistent with Prudent Industry Practices, and shall be responsible for all salary, fringe benefits, and related expenses payable to such employee and shall cooperate in all reasonable respects with LCSWMA, so that LCSWMA may perform its obligations under this Agreement in a proper and satisfactory manner.

J. Covanta Harrisburg will assist Columbia with selling the electric output and capacity into the PJM system until such time that Columbia can execute those services.

Covanta Harrisburg shall arrange for the sale of electricity and capacity until such time that electric sales to DGS begin, which is expected to occur on January 1, 2014.

K. Covanta Harrisburg is aware that the Dauphin County Recycling Center is located upon the Facility Site and will cooperate with Dauphin County in allowing public access to the Dauphin County Recycling Center at reasonable times.

L. Capital Improvements. Covanta Harrisburg shall use reasonable efforts to investigate and propose to LCSWMA any capital improvements in addition to those listed on Exhibit K that Covanta Harrisburg believes will improve the performance and/or efficiency of the Facility. It shall be in LCSWMA's sole and absolute discretion as to whether to make any such capital improvement, unless otherwise permitted as a Covanta Harrisburg modification and undertaken by Covanta Harrisburg in its sole discretion and at its cost. Notwithstanding the foregoing provisions of this subsection, LCSWMA shall make capital improvements that are necessary for environmental compliance of the Facility or for the safety of personnel working at the Facility. Currently anticipated capital improvements, and the responsible Party, are attached as Exhibit K.

7. Covanta Harrisburg's Compensation

A. (1) Covanta Harrisburg's compensation shall be determined and paid in accordance with Exhibit G.

(2) The Base Management Fee and the Special Recovery Fee (as defined in Exhibit G) for each month shall be due and payable on or before the first calendar day of that month. If the LCSWMA Term begins during a calendar month, then the Base Management Fee and the Special Recovery Fee for the first partial month shall be paid on a prorated basis on the first calendar day of following month.

B. Operations Incentive Payment

(1) LCSWMA shall pay Covanta Harrisburg an annual incentive payment as described in Exhibit G (the "Incentive Payment"). Covanta Harrisburg shall provide a written invoice detailing the applicable revenues of the Facility for the applicable calendar Year and the resulting computation of the Incentive Payment. LCSWMA agrees to make records available to Covanta Harrisburg as necessary for the confirmation of the Incentive Payment.

(2) Notwithstanding any provision herein to the contrary, during any calendar Year in which the amount of the Incentive Payment described in Section 7.B.1 would exceed twenty percent (20%) of the total compensation paid to Covanta Harrisburg for that Year (the "Incentive Compensation Limit"), the Incentive Payment under Section 7.B.1 shall be reduced so that the Incentive Compensation Limit is observed for that calendar Year and such excess shall not be recouped or carried over in any subsequent Year and LCSWMA shall be entitled to retain such excess.

(3) Notwithstanding the assignment of this Agreement from THA to LCSWMA, all calculations under this Section 7.B. shall treat calendar Year 2013 as a single

Year and the Incentive Payment and Incentive Compensation Limit shall be allocated based on the percentage of 2013 the applicable party owned the Facility.

8. Covanta Harrisburg's Performance Standards

A. Covanta Harrisburg shall use all commercially reasonable efforts to satisfy the Environmental Standard.

B. Covanta Harrisburg agrees to operate and maintain the Facility so that the Facility will meet the Performance Standards set forth in Exhibit F.

C. Determination of Breach. If LCSWMA believes a Performance Standard has been breached, it shall submit a claim to Covanta Harrisburg.

D. Remedies.

(1) If it is determined Covanta Harrisburg has failed to meet a Performance Standard set forth in Exhibit F, then Covanta Harrisburg shall, at its own expense, complete any necessary repairs, improvements, or corrections required to enable the Facility to meet the Performance Standards.

(2) LCSWMA's Liquidated Damages.

(a) If there is a failure by Covanta Harrisburg to meet the Annual Throughput Standard as described in Exhibit F, then Covanta Harrisburg shall pay liquidated Performance Damages to LCSWMA for such failure in the amount determined as provided in Exhibit G.

(b) If there is a failure by Covanta Harrisburg to meet the Environmental Standard (as described in Exhibit F), then Covanta Harrisburg shall pay, as liquidated damages, any and all fines, fees or penalties that may be levied or assessed by the governmental authority that issues or enforces the applicable Permit against LCSWMA in respect of the violation of the Permit.

(3) The Parties agree and acknowledge that calculation of the damages from a breach of a Performance Standard would be difficult to estimate accurately and that the Performance Damages are a reasonable approximation thereof and are intended as the fair allocation and liquidation of damages and not as a penalty against Covanta Harrisburg. The Parties further acknowledge and agree that the Performance Damages shall be the sole and exclusive remedy to which LCSWMA will be entitled for a breach of any Performance Standard, and in no event will Covanta Harrisburg be liable to LCSWMA for, nor shall the Performance Damages include, consequential, punitive or special damages, or costs of environmental remediation or natural resource damage to the extent such costs of environmental remediation or natural resource damage are insured against under the insurance policies required to be obtained by LCSWMA pursuant to this Agreement.

(4) Applicability of Annual Liability Cap. The amount of Authority liquidated damages payable by Covanta Harrisburg to LCSWMA as described in this Section 8 is subject to the Annual Liability Cap described in Section 14.J. Deductibles from all insurances covering the Facility shall not count towards the Annual Liability Cap to the extent such

deductibles are paid by LCSWMA. Notwithstanding the assignment of this Agreement from THA to LCSWMA, all calculations under this Section 8.D.(4) shall treat calendar Year 2013 as a single Year.

9. Insurance

LCSWMA and Covanta Harrisburg shall purchase and maintain throughout the LCSWMA Term insurance of the types and in the amounts described below from insurers lawfully authorized to do business in Pennsylvania, to the extent that such insurance is commercially available on reasonable terms. Coverage shall be provided by insurers with an A.M. Best rating of A- or better and a Financial Class Rating of IX or better.

A. Insurance to be maintained by LCSWMA:

(1) LCSWMA shall provide and maintain continuously throughout the LCSWMA Term, the following types and amounts of insurance at its expense, including deductibles, relating to the Facility and the Facility Site:

Type of Coverage	Minimum Limits
Worker's Compensation	Statutory
Employer's Liability	\$1,000,000 per accident
Commercial General Liability, including pollution liability	\$1,000,000 per occurrence and \$2,000,000 aggregate
Comprehensive Automobile Liability	\$1,000,000 combined single limit

Environmental Impairment Liability:

Environmental Impairment Liability including, on-site and off-site clean up, and third party on site and off site bodily injury and property damage claims with limits of \$2 million per occurrence and in the aggregate.

All Risk Property Insurance Including Boiler and Machinery:

"All Risk" property insurance including boiler and machinery shall be provided on the Facility in an amount not less than the full replacement value of the Facility with a waiver of subrogation in favor of Covanta Harrisburg, its affiliates and their respective officers, directors, agents, and employees. The policy shall have a deductible not to exceed \$250,000 per occurrence except for wind and earthquake, which shall have deductibles not greater than 2% of insured values if coverage is being provided through Covanta Harrisburg's master policy. If coverage is provided through a standalone policy either by Covanta Harrisburg or LCSWMA, there shall be separate deductibles of \$250,000 for each covered exposure, including Earthquake, Wind and Flood. Limits for Earthquake coverage shall be at least \$50,000,000. Limits for flood shall be at least \$2,500,000. Wind shall be placed with limits to full replacement value.

Business Interruption and Extra Expense:

1. Business Interruption insurance shall be purchased in conjunction with the property insurance to protect the interests of both LCSWMA and Covanta Harrisburg in an amount sufficient to protect the gross revenues of the Facility less any avoided costs. The Business Interruption coverage shall have a deductible not to exceed 15 days if provided through Covanta Harrisburg's master policy if available in the marketplace. Should there be a need to purchase this coverage on a standalone policy format, a Business Interruption policy with a deductible of no more than 45 days shall be purchased. Should Covanta Harrisburg proceed on purchasing standalone coverage, cost options will be provided to LCSWMA for business interruption deductibles of 15-days, 30-days and 45-days if available in the insurance marketplace. Should LCSWMA exercise its option to procure this coverage, since LCSWMA is bearing the responsibility of the deductible, LCSWMA may select the most cost effective deductible option.

2. Covanta Harrisburg, and to the extent applicable, Columbia, shall be named as an additional insured on all insurance policies (except workers compensation and employer's liability) obtained and maintained by LCSWMA pursuant to this Section and all policies shall be endorsed to contain a waiver of subrogation in favor of Covanta Harrisburg. LCSWMA shall provide Covanta Harrisburg with certificates evidencing such insurance on or before the Closing Date. Such certificates shall provide for thirty (30) days advance written notice to Covanta Harrisburg of cancellation, material change, reduction of coverage or non-renewal.

3. LCSWMA must insure or cause to be insured any property stored at the Facility that is not used at the Facility or Facility Site by Covanta Harrisburg to operate and maintain the Facility or Facility Site and shall indemnify Covanta Harrisburg against damage to such property except for the gross negligence of Covanta Harrisburg.

4. At LCSWMA's request Covanta Harrisburg shall procure Commercial General Liability insurance on behalf of LCSWMA and/or Columbia. The cost of this insurance, including associated broker expenses shall be paid directly by LCSWMA. If Covanta Harrisburg is requested to purchase this coverage on behalf of LCSWMA and/or Columbia the policy will be issued in the name of LCSWMA and/or Columbia and the original policy shall be delivered directly to LCSWMA when issued.

5. At LCSWMA's request with reasonable advance notice, Covanta Harrisburg shall procure and maintain the All Risk Property Insurance and Business Interruption/Extra Expense coverage described above. Whether such coverage is placed in Covanta Harrisburg's master program or placed on a stand-alone basis is at the sole discretion of Covanta Harrisburg. However all efforts shall be made to obtain the coverage at the best terms and price possible with option quotes including retention options provided to LCSWMA for review with right of selection as described above. If LCSWMA requests Covanta Harrisburg to purchase the property coverage and such coverage is placed in Covanta Harrisburg's master property insurance program LCSWMA will receive certificates of insurance and a broker's letter stating that the coverage is in place and in compliance with the contract terms. In addition LCSWMA shall also receive a comprehensive insurance summary highlighting all coverages including sub limit coverages as well as applicable deductibles and retentions. If a standalone policy is bought a complete certified copy of the insurance policy must be provided to

LCSWMA listing LCSWMA as a Named Insured. Covanta Harrisburg shall also make the policy terms and conditions applicable to the Facility available for review to LCSWMA's representative in Covanta Harrisburg's corporate home office upon reasonable notice.

6. If Covanta Harrisburg does procure such insurance, pursuant to subsection 5 immediately preceding, Covanta Harrisburg agrees to provide at least one hundred twenty (120) days written notice prior to renewal to Authority if continued procurement is not possible. Covanta Harrisburg may opt not to place such coverage for any reason whatsoever after the first year of placed coverage. LCSWMA may at its option replace coverage at any time. Any short rate penalty costs incurred through this action shall be borne by LCSWMA.

B. Insurance to be maintained by Covanta Harrisburg

(1) Covanta Harrisburg shall maintain the following types and amounts of insurance throughout the LCSWMA Term:

Type of Coverage	Minimum Limits
Worker's Compensation	Statutory
Employer's Liability	\$1,000,000 per accident
Commercial General Liability	\$2,000,000 per occurrence and \$2,000,000 aggregate
Comprehensive Automobile Liability	\$1,000,000 combined single limit
Excess Liability over the above referenced coverage's except for Professional Liability	\$25,000,000 aggregate

(2) The policies for all insurance to be maintained by Covanta Harrisburg as provided above shall name LCSWMA and, as applicable Columbia, as an additional insured except for Workers Compensation and Employers Liability policy. Covanta Harrisburg shall provide LCSWMA with certificates evidencing all insurance to be maintained by Covanta Harrisburg as provided above after the Closing Date. Such certificates shall provide for thirty (30) days advance written notice to LCSWMA of cancellation; material change, reduction of coverage or non-renewal.

C. Cost of Insurance

The cost of obtaining and maintaining the insurance required of LCSWMA or Columbia shall be paid by LCSWMA. The cost of obtaining and maintaining the insurance required of Covanta Harrisburg shall be reimbursed to Covanta Harrisburg, up to \$100,000 on an annualized basis, within 30 days after Covanta Harrisburg submits an invoice to LCSWMA accompanied by cost substantiation. In providing such cost substantiation, Covanta Harrisburg shall not be required to provide any information it deems to be proprietary, including but not limited to payroll information.

D. Waiver of Claims

LCSWMA and Covanta Harrisburg hereby waive on behalf of themselves and any insurer any and every claim for recovery from the other for any and all loss resulting from or relating to the performance of this Agreement, which loss or damage is insured against under the insurance policies required to be obtained pursuant to this Agreement, regardless of cause or origin, including the negligence of the other Party, its Affiliates, employees, agents and contractors.

10. Default and Remedies

A. Covanta Harrisburg Default and Remedies of LCSWMA

(1) The following shall constitute an Event of Default by Covanta Harrisburg:

(a) Covanta Harrisburg breaches or fails to comply with any material provision of this Agreement or the Columbia MPSA and does not commence to cure such failure or breach within ten (10) days after the date set forth in the written notice from LCSWMA of such failure or breach, and thereafter diligently continue to cure such default; or

(b) Covanta Harrisburg becomes insolvent, files a voluntary petition in bankruptcy, is adjudicated bankrupt, makes an assignment for the benefit of creditors, suffers a receiver to be appointed for the operation of its business, or makes a material liquidation of its assets, provided, however, that such event results in Covanta Harrisburg's inability to perform its obligations pursuant to this Agreement, or a modification of the terms of this Agreement without the consent of LCSWMA;

(c) Covanta Harrisburg pays, for each of two consecutive Years, liquidated damages in an amount equal to the Annual Liability Cap for each such Year or Covanta Harrisburg fails to pay any undisputed liquidated damages in any one Year within 30 days after notice that such amount is due and owing; or

(2) In the event of an Event of Default by Covanta Harrisburg:

(a) Provided that the Columbia MPSA is also terminated, LCSWMA may, at its election, terminate this Agreement by giving Covanta Harrisburg at least thirty (30) days advance written notice of termination and Covanta Harrisburg shall cooperate during such 30-day period in effecting an orderly exit of its rights and responsibilities hereunder. If the property insurance for the Facility is in Covanta Harrisburg's master program and upon LCSWMA agreeing to assume all costs and expenses related to the policy and deductibles, the coverage will continue for 120 days following termination of this Agreement or until the policy expires whichever is sooner. If an agreement is not reached on costs, the coverage shall terminate upon termination of this Agreement with any return premium payable to LCSWMA.

(b) Upon termination, Covanta Harrisburg shall be paid for the value of the management services performed in accordance with this Agreement up to the time of termination including prorated Incentive Payment plus the Early Termination Amount. The foregoing

remedies shall be the exclusive remedies of LCSWMA in the event of termination pursuant to this subsection, but all obligations pursuant to Section 12 shall survive termination pursuant to this subsection.

B. Authority Default and Remedies of Covanta Harrisburg

(1) The following shall constitute an Event of Default by LCSWMA:

(a) LCSWMA breaches or fails to comply with any material provision of this Agreement (other than relating to the payment to Covanta Harrisburg of fees or other amounts due hereunder) and does not commence to cure such failure or breach within ten (10) days after the date set forth in the written notice of such failure or breach, and thereafter diligently continue to cure such default; or Columbia breaches or fails to comply with any material provision of the Columbia MPSA (other than relating to the payment to Covanta Harrisburg of fees or other amounts due under the MPSA) and does not commence to cure such failure or breach within ten (10) days after the date set forth in the written notice of such failure or breach, and thereafter diligently continue to cure such default; or

(b) LCSWMA or Columbia becomes insolvent, files a voluntary petition in bankruptcy, is adjudicated bankrupt, makes an assignment for the benefit of creditors, suffers a receiver to be appointed for the operation of its business, or makes a material liquidation of its assets, provided, however, that such event results in a failure to pay Covanta Harrisburg, or a modification of the terms of this Agreement or the Columbia MPSA without the consent of Covanta Harrisburg; or

(c) LCSWMA's interest passes to any person or entity otherwise than as herein permitted; or

(d) LCSWMA fails to pay an amount that LCSWMA or Columbia is required to pay to Covanta Harrisburg within ten (10) calendar days after the date said payment is due.

(2) In the event of an Event of Default by LCSWMA:

(a) Covanta Harrisburg may, at its election, terminate this Agreement by giving LCSWMA at least thirty (30) days advance written notice of termination; and

(b) Upon termination of this Agreement, Covanta Harrisburg shall be paid all Management Fees up to the time of termination including prorated Incentive Payment; plus the Early Termination Amount, plus materials purchased or committed, subcontractors' and vendors' cancellation charges, demobilization costs, and reasonable legal fees, provided the same are for the operation and maintenance of the Facility. The foregoing remedies shall be the exclusive remedies of Covanta Harrisburg in the event of termination pursuant to this subsection, but all obligations pursuant to Section 12 shall survive termination pursuant to this subsection.

11. Force Majeure

A. A Party to this Agreement shall not be in default hereunder or liable to the other Party for its failure to perform obligations under this Agreement, if such failure results

from a Force Majeure. Each Party shall undertake normal and customary commercially reasonable steps to diligently overcome or remove such Force Majeure. A Party claiming the benefit of this subsection shall give a written notice of such claim to the other Party within ten (10) days of becoming aware of the occurrence of the Force Majeure and such Party shall provide the other Party with reasonably requested information concerning the nature of such event or condition, its effect on the services to be performed hereunder, and that Party's efforts to overcome or remove the Force Majeure. Force Majeure shall not affect or relieve payment obligations of any person or entity. To the extent the Parties agree on a Force Majeure event and the cost impacts thereto provided by Covanta Harrisburg, LCSWMA shall assume the cost impacts of any Force Majeure event, including the capital cost impacts as well as any increases in operations and maintenance costs without any mark-up. Any dispute as to such event and the cost impacts thereof, shall be resolved in accordance with Article 13; provided, however, that notwithstanding any dispute brought by either party, Covanta Harrisburg must continue to operate and maintain the Facility and Facility Site to the extent reasonably practicable, taking into account such claimed event of Force Majeure.

B. "Force Majeure" is defined in Exhibit A.

C. Force Majeure Changes.

(1) If and to the extent that LCSWMA has made adequate provisions for the payment of the cost thereof, Covanta Harrisburg, at the expense of LCSWMA, shall make or cause to be made any change necessary to enable Covanta Harrisburg or LCSWMA to perform its obligations under this Agreement, or to enable Covanta Harrisburg to perform its obligations under the Columbia MPSA or to comply with the requirements of Applicable Law and Prudent Industry Practices required as a result of Force Majeure. Covanta Harrisburg shall not be required to expend its own funds to pay the costs of any change required as a result of Force Majeure; provided, however, that Covanta Harrisburg has an affirmative obligation to mitigate the impacts of any Force Majeure event by using commercially reasonable efforts.

(2) LCSWMA shall be responsible for all costs of, and pay or finance any additional capital or operating costs of changes to the Facility or the Facility Site required as a result of Force Majeure. To the extent not paid from insurance proceeds or amounts received from third parties, such as equipment vendors or tortfeasors, the amount of such additional capital or operating costs of changes to the Facility or the Facility Site required as a result of Force Majeure shall equal the reasonable direct costs to be incurred by Covanta Harrisburg for or with respect to such changes to the extent reviewed and approved by LCSWMA.

(3) Covanta Harrisburg shall provide all detail reasonably necessary for LCSWMA to review a claim for Force Majeure and the cost impacts thereof, if any, and answer any reasonable inquiries of LCSWMA regarding the conditions caused by any Force Majeure.

D. Operational Changes Due to Force Majeure. If any Force Majeure requires operational changes in the performance by Covanta Harrisburg of its obligations hereunder or increases Covanta Harrisburg's cost of performance of its obligations hereunder, then (i) Force Majeure-costs shall include all the direct costs of any such cost increase, and (ii) any other

provisions of this Agreement that are reasonably and equitably required to be changed or amended to reflect such operational changes shall be so changed or amended.

B. **Covanta Harrisburg Modifications.** Covanta Harrisburg may make any restorations, modifications, additions or alterations to the Facility or the Facility Site, or the methods of operating and maintaining the Facility otherwise employed by Covanta Harrisburg at its cost, to the extent necessary or desirable to perform its obligations hereunder, expressly subject to the terms and conditions of this Agreement and subject further to the consent of LCSWMA.

F. **Title to Changes.** Any restorations, modifications, additions or alterations to the Facility or the Facility Site pursuant to a change required by Force Majeure or a Covanta Harrisburg modification shall be the sole and exclusive property of LCSWMA, and Covanta Harrisburg shall cooperate with LCSWMA in order to cause title to such restorations, modifications, additions or alterations to vest in or be transferred to LCSWMA, as reasonably specified by LCSWMA, upon the incorporation of any such restorations, modifications, additions or alterations into the Facility or the Facility Site.

12. Indemnification

A. To the fullest extent permitted by law, Covanta Harrisburg shall defend, indemnify and hold harmless LCSWMA Indemnified Parties from and against all claims, damages, losses, and expenses (including but not limited to court costs and reasonable attorneys' fees) which may arise as a result of Covanta Harrisburg's acts or omissions in its performance of this Agreement, but only to the extent caused in whole or in part by negligent, willful or wanton acts or omissions of Covanta Harrisburg, its employees and subcontractors. The above indemnification shall not apply to any claim, damage, loss or expense to the extent caused by the breach of this Agreement by, or the negligence or willful misconduct of, one or more Authority Indemnified Parties with regard to Authority Indemnified Parties.

B. To the fullest extent permitted by law, LCSWMA shall defend, indemnify and hold harmless the Covanta Harrisburg Indemnified Parties from and against all claims, damages, losses, and expenses (including but not limited to court costs and reasonable attorneys' fees) which may arise as a result of LCSWMA's acts or omissions in its performance of this Agreement, but only to the extent caused in whole or in part by negligent, willful or wanton acts or omissions, of LCSWMA, its employees and subcontractors. The above indemnification shall not apply to any claim, damage, loss or expense to the extent caused by the breach of this Agreement by, or the negligence or willful misconduct of, Covanta Harrisburg Indemnified Parties with regard to Covanta Harrisburg Indemnified Parties.

C. To the fullest extent permitted by law, LCSWMA shall defend, indemnify and hold harmless Covanta Harrisburg from and against all claims, damages, losses, and expenses (including but not limited to court costs and reasonable attorneys' fees) which may arise as a result of Columbia's acts or omissions in its performance of the Steam Agreement or the Columbia MPSA. The above indemnification shall not apply to any claim, damage, loss or expense to the extent caused by the breach of this Agreement by, or the negligence or willful misconduct of, Covanta Harrisburg Indemnified Parties.

D. To the fullest extent permitted by law, LCSWMA shall defend, indemnify and hold harmless Covanta Harrisburg Indemnified Parties from and against all claims, damages, losses, and expenses (including, but not limited to court costs and reasonable attorney's fees) which may arise as a result of any alleged unauthorized disclosure or use of any trade secret, patent, copyright, license or trademark infringement relating the Facility, the Facility Site or any equipment, product, document or other item located at the Facility Site (or any component thereof) that is delivered to the Facility Site by or on behalf of LCSWMA.

E. Hereinafter the Party having the obligation to indemnify is referred to as the "Indemnifying Party", and the Party being indemnified is referred to as the "Indemnified Party".

F. In any and all claims against an Indemnified Party, the indemnification obligation stated above shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Indemnifying Party under any applicable workers' compensation act, disability acts, or other employee benefit acts.

G. The indemnification provided in this section shall remain in full force and effect and shall survive the termination of this Agreement until the earlier of (i) the time during which a claim or cause of action may be brought is barred by the applicable statute of limitations, or (ii) the satisfaction or payment of such claim or liability and of all expenses and charges incurred by LCSWMA or Covanta Harrisburg, as the case may be, relating to the enforcement of the indemnification obligations set forth in this section.

H. Indemnification Procedure.

(1) The Indemnified Party shall give the Indemnifying Party a written notice of a claim or action within fifteen (15) days of actual knowledge by the Indemnified Party of an ascertainable claim or of the commencement of a claim or action. The Indemnifying Party shall have no liability under this section for any claim or action for which such notice is not provided to the extent that such failure to give notice actually and materially prejudices the Indemnifying Party's ability to defend against such claim.

(2) The Indemnifying Party shall have the right to assume the defense of any such claim or action with counsel designated by the Indemnifying Party and reasonably satisfactory to the Indemnified Party, provided, however, that if the defendants in any such action include both Indemnifying Party and the Indemnified Party, and the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such Indemnified Party, the cost of which shall be subject to indemnification under this section.

(3) Should any Indemnified Party be entitled to indemnification under this section as a result of a claim or action by a third party, and should the Indemnifying Party fail to assume the defense of such claim or action, the Indemnified Party may, at the expense of

the Indemnifying Party contest (or, with the prior consent of the Indemnifying Party, which shall not be unreasonably withheld or delayed, settle) such claim or action.

(4) Except to the extent expressly provided herein, no Indemnified Party shall settle any claim or action with respect to which it has sought or intends to seek indemnification pursuant to this section without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

(5) When one Party is indemnifying the other, the Indemnified Party shall be kept informed of the status of any claim, action, or administrative proceeding that pertains to the other Party, and the Indemnified Party shall cooperate with the Indemnifying Party by providing documents, witnesses, or other information within its control. The Indemnifying Party shall consult with and give considerations to the concerns of the Indemnified Party when making decisions about resolving any claim or action.

13. Dispute Resolution

A. In the event of any dispute, disagreement, controversy or claim arising under or relating to any obligation or claimed obligation under the provisions of this Agreement and/or the Columbia MPSA (a "Dispute," which term shall include any tort claim relating to or in connection with this Agreement and/or the Columbia MPSA), the party seeking resolution of such Dispute shall give notice to the other parties, setting forth the matters in dispute with particularity.

B. Upon receipt by a party of a notice of the type referred to in Section 13, the parties to such Dispute shall negotiate in good faith for 45 days to resolve any such Dispute (it being agreed that if such Dispute is not resolved by such parties on or before the 30th day of such 45-day period, the parties shall refer such Dispute to the appropriate management level of such parties). If the parties shall not have resolved such Dispute within such 45-day period, then any party may submit the Dispute to arbitration in accordance with the procedures provided for in subparagraphs (C)-(G) of this Section 13.

C. Any Dispute that is not resolved by the parties through negotiation and mediation shall be finally settled by arbitration. The arbitration shall be conducted in accordance with the Federal Arbitration Act and the Commercial Arbitration Rules of the American Arbitration Association ("AAA") then in effect, except to the extent the Rules are inconsistent with any provision of this Section 13, in which case the provisions of this Section 13 shall control. Such arbitration shall be conducted in Harrisburg, PA, or such other place as the parties may agree mutually in writing.

D. There shall be one neutral arbitrator who shall be selected as follows. Within 10 days after the claimant gives notice that it is submitting a Dispute to arbitration hereunder, the parties shall jointly request a list of five qualified candidates from AAA from which the arbitrator shall be selected. Within 10 days of receipt of the list, each of the parties to the Dispute shall (i) strike no more than two of the candidates identified on the list, (ii) number the remaining candidates in order of preference, and (iii) return the list to AAA. AAA shall select the arbitrator from the candidates not stricken from the list as provided above and, to the greatest

extent possible, in accordance with the mutually designated order of preference. If any arbitrator selected in accordance with this procedure should become unwilling or unable to serve as arbitrator, a new arbitrator shall be selected from a new list as provided above.

E. The party submitting the Dispute to arbitration shall serve a statement of claim on the opposing party or parties within 10 days after giving notice that the claimant is submitting the Dispute to arbitration. Within 20 days of the respondent's receipt of the claimant's notice of arbitration and Statement of Claim, the respondent shall serve the claimant with its statement of defense and any counterclaims. Within 20 days of claimant's receipt of the respondent's statement of defense and counterclaims, the claimant shall serve its statement of defense to any counterclaims asserted by the respondent. After all statements of claim, defense and counterclaims have been served by the disputing parties, copies thereof shall be submitted to the arbitrator by the disputing parties. The arbitrator shall permit and facilitate such pre-hearing discovery and exchange of documents and information to which the claimant and respondent in writing agree or which the arbitrator determines is relevant to the Dispute and is appropriate, taking into account the needs of the disputing parties and the desirability of making discovery expeditious and cost-effective. All discovery shall be completed within 30 days after all statements of claim, defense and counterclaims have been served by the disputing parties. No later than 10 days prior to the hearing, the disputing parties may file with the arbitrator and serve on the opposing Dispute party any amendments or supplements to the statements of claim, defense or counterclaims. The hearing shall be held no later than 100 days following the service of the statement of claim. The time periods set forth in this paragraph (D) may be extended by mutual written agreement of the disputing parties or at the discretion of the arbitrator; provided that in no event shall such hearing be later than 150 days following the service of the Statement of Claim. Any arbitration award shall be rendered in United States dollars, with appropriate interest as determined by the arbitrator.

F. The prevailing party shall be entitled to recover, to the extent the prevailing party prevailed, its reasonable costs and fees, including but not limited to reasonable attorneys' fees and expenses, associated with the arbitration from the non-prevailing party or parties. The parties expressly agree that the arbitrator shall have no power to consider or award punitive or exemplary damages, or any other multiple or enhanced damages, whether statutory or by common law.

G. Any award shall be final and binding upon the parties, which agree to be bound conclusively by any award, except to the extent the award is subject to being vacated or modified under Applicable Law. Any award shall be in writing and shall state the reasons upon which it is based. Judgment upon the award may be entered in the Court of Common Pleas of Dauphin County, Pennsylvania or the United States District Court for the Middle District of Pennsylvania.

H. The provisions of this Section 13 shall constitute the exclusive and sole means for resolving Disputes.

14. Miscellaneous

A. Entire Agreement; Modification

(1) Except as otherwise provided herein, this Agreement, including the Exhibits to this Agreement, constitutes the entire agreement between the Parties concerning the subject matter hereof, and supersedes any prior oral or written understandings, representations or commitments of any kind, express or implied, which are not expressly set forth herein.

(2) This Agreement supersedes and replaces any other agreement between the Parties and merges all previous negotiations between the Parties with respect to the subject matter hereof.

(3) No oral or written modification of this Agreement by any officer, agent or employee of LCSWMA or Covanta Harrisburg, after execution of this Agreement, shall be of any force or effect unless such modification is in writing and is signed by all Parties.

B. Severability and Waiver

(1) The invalidity or unenforceability of any portion or provision of this Agreement shall in no way affect the validity or enforceability of any other portion or provision hereof. Any invalid or unenforceable portion or provision shall be deemed severed from this Agreement and the balance of this Agreement shall be construed and enforced as if the Agreement did not contain such invalid or unenforceable portion or provision.

(2) The failure of either Party to insist, in anyone or more instances, upon the performance of any of the terms, covenants, or conditions of this Agreement, or to exercise any right herein, shall not be construed as a waiver or relinquishment of such term, covenant, condition or right as respects further performance.

C. Applicable Law; Interpretation; Venue

(1) This Agreement shall be governed by and interpreted under the law of the Commonwealth of Pennsylvania, without regard to choice of law provisions. It is agreed that this Agreement was entered into in Harrisburg, Pennsylvania.

(2) The headings and captions contained herein are not part of this Agreement and are included solely for the convenience of reference of the Parties, and shall not be construed as being of any significance in the construction and interpretation of the Agreement.

D. Notices and Communication

(1) Any notice pursuant to the terms and conditions of this Agreement shall be in writing and (A) delivered personally, (B) sent by certified mail, return receipt requested, (C) sent by telephonic facsimile (provided written confirmation thereof is mailed promptly thereafter), or (D) sent by a recognized overnight mail or courier service, with delivery receipt requested, to the following addresses (or such other addresses as the Parties may designate to one another, in writing, from time to time):

If to Covanta Harrisburg:

Covanta Harrisburg, Inc.
445 South Street
Morristown, NJ 07960
Attention: Vice President, Mid-Atlantic Region

With a copy to:

Covanta Harrisburg, Inc.
445 South Street
Morristown, NJ 07960
Attention: Vice President & Deputy General Counsel

If to LCSWMA:

Lancaster County Solid Waste Management Authority
P.O. Box 4425
Lancaster, PA 17604
Attention: James D. Warner, CEO
Phone: (717) 397 9968

With a copy to:

Alexander Henderson III, Esq.
Hartman Underhill & Brubaker, LLC
221 East Chestnut Street
Lancaster, PA 17602
Phone: (717) 299 7253

(2) Notices shall be deemed delivered when received.

E. Binding Effect; Assignment

(1) This Agreement shall be binding upon, and inure to the benefit of LCSWMA, Covanta Harrisburg, and their respective successors and assigns (to the extent permitted hereunder).

(2) Except as otherwise provided herein, no Party shall assign the Agreement in whole or in part without the prior written consent of the other Parties; provided, however, that: (1) LCSWMA may, without the prior consent of Covanta Harrisburg, assign this Agreement; and (2) Covanta Harrisburg may, without the prior written consent of LCSWMA, assign the Agreement to any of Covanta Harrisburg Affiliates. Assignment hereunder shall not relieve the assigning party of any of its duties or obligations under this Agreement.

F. Independent Contractor; Subcontracts

(1) Covanta Harrisburg is an independent contractor and nothing contained herein shall be construed as constituting any relationship with LCSWMA other than that of independent contractor, nor shall it be construed as creating any relationship whatsoever between LCSWMA and Covanta Harrisburg's employees. Neither Covanta Harrisburg, nor any of its employees, are or shall be deemed to be employees of LCSWMA, LCSWMA, nor any of their employees, are or shall be deemed to be employees of Covanta Harrisburg.

(2) Subject to the provisions of this Agreement, Covanta Harrisburg has sole responsibility to employ, discharge and otherwise control its employees.

(3) Covanta Harrisburg shall accept complete responsibility for its employees, contractors and agents. LCSWMA will not undertake to settle any differences or disputes between or among Covanta Harrisburg and its employees, contractors and agents, except as set forth in this Agreement.

G. Compliance with Laws

Subject to the provisions of this Agreement, Covanta Harrisburg shall comply with all applicable laws in all material respects and may contest in good faith any allegations of violating applicable law.

H. Counterparts

This Agreement may be executed in multiple identical counterparts, each of which shall be deemed an original for all purposes, and all of which together shall constitute but one and the same Agreement.

I. Authority Right to Audit and Inspect

During this Agreement, at any reasonable time, LCSWMA shall have reasonable access during normal business hours to those books and records of Covanta Harrisburg that are germane to the operation and maintenance of the Facility including all financial records, and the right to audit those books and records that are germane to any payment hereunder.

J. Annual Liability Cap.

(1) For each Year during the LCSWMA Term, the liability of Covanta Harrisburg for contract and tort damages, indemnity payments, costs of remedial work and all other liability to LCSWMA under or pursuant to this Agreement shall be subject to an annual cap of \$2,000,000 (the "Annual Liability Cap") and notwithstanding any other provision of this Agreement to the contrary, (i) in no event shall Covanta Harrisburg's aggregate liability to LCSWMA for any contract and tort damages, indemnity payments, costs for remedial work and all other liability to LCSWMA under or pursuant to this Agreement during any Year exceed \$2,000,000 and (ii) contract and tort damages, indemnity payments, costs of remedial work and all other liability owed or incurred with respect to a Year but that are not payable due to the Annual Liability Cap cannot be carried forward to or made payable in a subsequent Year. Losses related to insurance deductibles are not included and do not erode the Annual Liability Cap to the

extent such deductibles are paid by LCSWMA. The Annual Liability Cap shall be increased each Year based on the Index in the same manner as the Base Management Fee (as defined and set forth in Exhibit G). Notwithstanding the assignment of this Agreement from THA to LCSWMA, calculations under this Section 14.J. shall treat calendar Year 2013 as a single Year and the Annual Liability Cap shall be allocated based on the percentage of 2013 the applicable party owned the Facility, provided however that if one party does not reach its proportionate 2013 Annual Liability Cap limit, the other party shall be entitled to the benefit of the unused amount provided that the total 2013 Annual Liability Cap is not exceeded.

(2) In the event Covanta Harrisburg fails to obtain or maintain any of the insurance required of it pursuant to Section 9.B., and as a result of such failure, costs or damages are required to be paid by Covanta Harrisburg that (a) are precluded by operation of the Annual Liability Cap (without regard to this paragraph), and (b) would have been covered by such insurance, then the Annual Liability Limit shall not apply to such costs or damages.

[Signatures appear on next page.]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have caused this Agreement to be executed as of the date first above written.

COVANTA HARRISBURG, INC.

Attest: Kirk J. Ritz By: [Signature]
Title: Vice President & Deputy C.C. Title: SVP

LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY

Attest: Bonnie B. [Signature] By: KM Weibel
Title: _____ Title: _____

(SEAL)

EXHIBIT A DEFINITIONS

In addition to the capitalized terms defined elsewhere in the text of this Agreement, the following capitalized terms shall have the following meanings:

Acceptable Waste shall mean garbage, refuse, permitted residual and other mixed municipal solid waste from residential, commercial, industrial and community activities, but excluding Unacceptable Waste.

Affiliate means, with respect to any person or entity, any other person or entity which controls, is controlled by, or is under common control with such person or entity directly or indirectly; provided, however, the term "Affiliate" as defined herein shall not be construed so as to make Covanta Harrisburg and LCSWMA Affiliates of each other. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person or entity.

Annual Liability Cap has the meaning set forth in Section 14.J.

Annual Reconciliation has the meaning set forth in Exhibit G.

Annual Throughput Standard has the meaning set forth in Exhibit F.

Applicable Law means any permits, licenses and approvals issued for or with respect to the Facility (or any component thereof) and/or that of any hauler, or the performance by a Party of its obligations hereunder, and any statute, law, constitution, charter, ordinance, resolution, judgment, order, decree, rule, regulation, directive, interpretation, standard or similarly binding authority, which in any case, shall be enacted, adopted, promulgated, issued or enforced by a governmental body, regulatory agency and/or court of competent jurisdiction that relates to or affects LCSWMA, Covanta Harrisburg and/or the Facility (or any portion thereof) and/or any hauler's performance hereunder.

Authority Indemnified Parties shall mean LCSWMA and its officers, directors, representatives, employees, agents and assigns.

Btu means British Thermal Units.

Bypassed Waste means Acceptable Waste that is accepted and transferred at the Facility or diverted from the Facility, but is not Processed at the Facility.

Bypassed Waste Disposal Agreement means an agreement with LCSWMA to accept Bypass Waste from the Facility for processing or disposal.

Change in Law means either (a) the enactment, adoption, promulgation, modification, written interpretation or reinterpretation, written guideline or repeal, subsequent to May 1, 2007, of any law, ordinance, code, rule, regulation or similar legislation by any Federal, State, County or other governmental body, or (b) the modification of or the imposition of any conditions on the

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Exhibit A

issuance, modification or renewal of any official permit, license or approval subsequent to May 1, 2007, which in the case of either (a) or (b), establishes requirements affecting the operation or operating or capital costs of the Facility or performance by Covanta Harrisburg of its obligations under this Agreement which are more burdensome than the most stringent requirements which are applicable to the Facility or Covanta Harrisburg, as the case may be, and which are contained in any Applicable Laws with respect to the Facility in effect as of May 1, 2007, excluding changes in corporate income tax laws.

Closing Date shall have the meaning set forth in the Background paragraph of this Agreement.

Columbia shall have the meaning set forth in the Background paragraph of this Agreement.

Columbia MPSA shall have the meaning set forth in the Background paragraph of this Agreement.

Commencement Date shall have the meaning set forth Section 3.C. of this Agreement.

DGS shall have the meaning set forth in the Background paragraph of this Agreement.

Early Termination Amount shall have the meaning set forth in Section 1.1(b) of Exhibit G.

Electrical Plant means the portion of the Facility used to generate electricity for sale as described on Exhibit C.

Electricity Escrow Account means the Escrow Account controlled by LCSWMA under the Columbia MPSA.

Energy Agreements means any agreements for the sale of electricity produced by the Facility, or steam produced by the Facility to the extent sold to a third party as an independent commodity, as such agreements may be amended from time to time in accordance with their terms, including the Power Purchase Agreement described in the Background paragraph of this Agreement. The Steam Agreement is not an Energy Agreement, nor shall Columbia be considered a third party for purposes of this definition.

Energy Fee has the meaning set forth in Exhibit G.

Environmental Standard has the meaning set forth in Exhibit F.

Excess-Waste Fee has the meaning set forth in Exhibit G.

Facility Site has the meaning set forth in Exhibit I.

Force Majeure means any unforeseen acts, events or conditions or any combination thereof that has had or may reasonably be expected to have a direct, material, adverse effect on the rights or obligations of a Party to this Agreement; provided however, that such act, event or

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Exhibit A

condition shall be beyond the reasonable control of the Party relying thereon as justification for not performing an obligation or complying with any condition required of such Party under the terms of this Agreement including, without limitation:

(a) an act of God such as severe natural conditions such as landslide, lightning, earthquake, flood, hurricane, blizzard, tornado, explosion, fire or other severe weather conditions, severe sea conditions (affecting delivery of materials) or similar cataclysmic occurrence, nuclear catastrophe, an act of public enemy, war, act of terror, blockage, insurrection, sabotage, vandalism, theft, riot, general arrest or general restraint of government and people; provided however, that any question as to whether any such conditions should be deemed to constitute an Force Majeure shall be considered in light of Covanta Harrisburg's pre-existing obligation to operate and maintain the Facility in accordance with Prudent Industry Practices to protect against reasonably foreseeable severe natural weather conditions, taking into account the geographical location of the Facility;

(b) a Change in Law;

(c) the loss of any utility services necessary for the operation of the Facility;

(d) the unavailability of a landfill or other legal or appropriate means for the disposal of Residue;

(e) a public or private labor dispute relating to the collection of Solid Waste (including Acceptable Waste delivered or to be delivered to the Facility, which prevents the delivery of Solid Waste to the Facility, including Acceptable Waste delivered or to be delivered by, or on behalf of, LCSWMA) or the removal, transportation and/or disposal of Residue;

(f) the presence of any subsurface or latent physical condition (including the presence of Hazardous Waste or other contamination or pollution) at the Facility which shall prevent or require a redesign or change in the operation of the Facility;

(g) the failure of any subcontractor or supplier to furnish labor, materials or equipment on the dates agreed to, and Covanta Harrisburg is not reasonably able to obtain substitute labor, service, material or equipment on the agreed upon dates;

(h) the condemnation, taking, seizure, involuntary conversion or acquisition of title to or use of the Facility, the Facility Site or any portion or part thereof then being used by Covanta Harrisburg to carry out its obligations hereunder by the action of any federal, state or local government or governmental agency or LCSWMA;

(i) failure of the purchaser(s) under any applicable Energy Agreements to accept delivery of electricity or steam, as the case may be, for the reasons other than Covanta Harrisburg's breach, failure, non-performance, or noncompliance provided however, that, in the absence of another Force Majeure or breach by LCSWMA that prevents or otherwise interferes with the operation of the Facility, the failure of such purchaser to accept the delivery of electricity or steam shall not affect Covanta Harrisburg's obligation to Process Acceptable Waste at the Facility in accordance with the terms of this Agreement;

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Exhibit A

(j) the action or failure to act of any hauler that is not an employee or agent of Covanta Harrisburg (or any Affiliate of Covanta Harrisburg) that adversely affects the Facility or the ability of either Party to carry out its obligations hereunder; and

(k) the inadvertent Processing of Unacceptable Waste in the Facility, unless such Processing is due to the breach of this Agreement by the non-performing Party, to the extent that such Processing results in an outage or other reduction in Processing capacity.

It is specifically understood that none of the following acts, events or circumstances shall constitute Force Majeure:

(a) any act, event or circumstance that would not have occurred if the affected Party had complied with its obligations under this Agreement and any resultant legal proceeding brought against the affected Party, whether or not the affected Party subsequently seeks to join any other Party as an additional party;

(b) changes in interest rates, inflation rates, wage rates, insurance costs, commodity prices, currency values, exchange rates or other general economic conditions, even if affecting Covanta Harrisburg's responsibility to provide for the financing of the performance of its obligations under this Agreement, including the financing of the Retrofit Completion Work;

(c) changes in the financial condition of LCSWMA, Covanta Harrisburg, or their Affiliates or subcontractors affecting the ability to perform their respective obligations;

(d) the consequences of error, neglect or omissions by a Party, its subcontractors or Affiliates;

(e) strikes, work stoppages or labor disputes of employees of any person or entity to the extent overcoming the effect thereof would not reasonably be expected to materially increase operating or capital costs or result in a material risk of bodily injury or property damage; and

(f) normal weather conditions.

GAAP means generally accepted accounting principles in the United States.

Hazardous Material or Hazardous Waste shall mean any material amount of an element, compound, mixture, solution, particle or substance other than that which is delivered to the Facility as part of the municipal or household waste stream, as permitted under RCRA (as hereinafter defined) or under the Facility's Permits:

(a) the presence of which requires investigation or remediation under any federal, state or local law, statute, regulation, ordinance, order, action, policy or common law;

(b) which is or becomes defined as a "hazardous waste", "hazardous substance", "hazardous material", "toxic substance", "hazardous pollutant", "toxic pollutant", or "contaminant" under any federal, state or local law, statute, regulation, rule or ordinance or amendments thereto, and all applicable judicial, administrative or regulatory decrees, judgments or orders relating to the protection of human health or the environment, including, without

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Exhibit A

limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq. ("CERCLA"), as amended, the Resource, Conservation and Recovery Act, as amended, 42 U.S.C. §§ 6901 et seq. ("RCRA"), the Toxic Substance Control Act, 15 U.S.C. §§ 2601-2671, the Clean Air Act, 42 U.S.C. §§ 7401 et seq., and the Federal Water Pollution Control Act, 33 U.S.C. 1251 - 1387, or any similar state or local law, rule, or regulation, as the foregoing may be amended from time to time (collectively, the "Environmental Laws");

(c) which is petroleum, unless delivered as part of the household waste stream, including crude oil or any fraction thereof not otherwise designated as a "hazardous substance" under CERCLA, or any similar state or local law, rule, or regulation, including without limitation gasoline, diesel fuel, or other liquid petroleum hydrocarbons;

(d) which is toxic, explosive, corrosive, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority or instrumentality or the United States or jurisdiction in which the Facility is located;

(e) the presence of which on the Facility site causes or threatens to cause a nuisance upon the Facility site or to the adjacent properties or poses or threatens to pose a hazard to health or safety of persons on or about the Facility site;

(f) Underground Storage Tanks as defined in 9001 of RCRA, 42 U.S.C. §§ 6991 or any similar state or local law, rule, or regulation; or

(g) the presence of which on adjacent properties could constitute a trespass by LCSWMA or Covanta Harrisburg.

Hazardous Waste Costs means the costs incurred to separate, store, load, transport and dispose of Hazardous Waste delivered to the Facility by haulers as well as any other costs associated with such Hazardous Waste to the extent incurred or suffered by Covanta Harrisburg as a result of the delivery, presence, separation, storage, loading, transporting or disposal of such Hazardous Waste at the Facility, including, without limitation, all costs incurred to repair or replace equipment, tools, supplies or any part of the Facility or the Facility Site that is damaged or destroyed unless, with respect to any such costs, they arose from Covanta Harrisburg's negligence, willful misconduct or failure to comply with the terms of this Agreement.

HHV means higher heating value.

Incentive Payment has the meaning set forth in Section 7.B.I. of this Agreement and shall be comprised of the Excess Waste Fee, the Energy Fee, the Scrap Metal Fee and the Maximum Residue Limit Fee as those terms are more fully defined in Exhibit G.

Late Payment Rate means an amount equal to the lesser of (a) the rate published from time to time in the Wall Street Journal or any successor publication or similar index as the prime rate of interest plus two hundred (200) basis points, or (b) the maximum rate of interest permitted by Applicable Law.

Landfill means the landfill located on the Facility Site, the Frey Farm Landfill or any other landfill owned by LCSWMA.

LCSWMA Facility means the Facility, the Conoy Township waste-to-energy facility, the Frey Farm Landfill, the Harrisburg Pike transfer station, or any other solid waste disposal or processing facility owned by LCSWMA.

Mandated Fees means the governmentally mandated fees applicable to the Facility and/or its operation, including without limitation, the following fees:

- Environmental stewardship, based on ash, state
- Environmental stewardship, based on waste, state
- Post closure trust fees
- Recycling fees, state
- Host community fee, based on ash disposal, state (Swatara Township)
- Host community fees (City of Harrisburg) and other host fees, if any
- Local municipal waste agreement fees (of Dauphin, Cumberland, Perry and other counties, if any)
- Disaster recovery contract
- Bank service charges/trustee fees

And any other governmentally mandated fees previously incurred by LCSWMA in respect of the Facility, increases in existing fees and any new mandated fees imposed by any governmental entity.

Management Fee shall have the meaning ascribed to such term in Section 7.A of this Agreement.

Mass Burn Plant means all of the Facility except the Electrical Plant.

Party shall mean Covanta Harrisburg or LCSWMA as the case may be and Parties shall mean Covanta Harrisburg and LCSWMA where applicable.

Performance Damages has the meaning set forth in Exhibit G.

Performance Standards has the meaning set forth in Exhibit F.

Permits means the permits, licenses and governmental approvals necessary for the operation and maintenance of the Facility, as the same may be in effect from time to time.

Process, Processed or Processing means the receipt, handling, and combusting of Acceptable Waste at the Facility.

Project Agreements means any of the following agreements to which LCSWMA is a party:

- (a) the Waste Disposal Agreements;
- (b) the Residue Disposal Agreements and Bypassed Waste Disposal Agreements;
- (c) any agreements with Authority haulers
- (d) the Energy Agreements; and
- (e) any other agreement designated as a Project Agreement pursuant to this Agreement.

Prudent Industry Practices means the practices, methods and acts generally engaged in or recognized by the energy-from-waste industry, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired results at the lowest reasonable cost consistent with Applicable Law, good business practices, reliability, safety and expedition. Prudent Industry Practices is not intended to be limited to the optimum practices, methods or acts to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts having due regard for, among other things, manufacturers' warranties and the requirements of this Agreement.

Receiving Hours means the times the Facility is open for receiving Waste, as determined by LCSWMA in accordance with Prudent Industry Practices and set forth in the SRMC Rules and Regulations.

Residue shall mean the residue resulting from the Processing of Acceptable Waste including fly ash, bottom ash, sludge from the dewatering and drying building environmental control reagents and moisture.

Residue Disposal Agreements means any agreement (other than this Agreement) between LCSWMA and any other person or entity for the storage, handling, transportation or disposal of Residue generated at the Facility or Unacceptable Waste delivered to the Facility.

Residue or Bypassed Waste Disposal Facility shall mean a landfill designated by LCSWMA which is available for the disposal of Residue and Bypassed Waste at the expense of LCSWMA. The Residue or Bypassed Waste Disposal Facility may be owned by LCSWMA or disposal capacity at the Residue or Bypassed Waste Disposal Facility may be provided for through a Residue Disposal Agreement or Bypassed Waste Disposal Agreement.

SRMC Rules and Regulations means the rules and regulations issued by LCSWMA under the authority of the Dauphin County Municipal Waste Management Ordinance applicable to the Facility

Steam Agreement has the meaning set forth in the Background paragraph of this Agreement.

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Exhibit A

Taxes shall mean all taxes, assessments, fees or charges of any governmental authority.

Ton means two thousand (2,000) pounds.

Unacceptable Waste shall mean any objects or mixed municipal solid waste loads (whether from residential, commercial, or industrial origins or a combination thereof) of a size or nature that cannot be physically accommodated by the combustion technology and Processing equipment, including, but not limited to, motor vehicle parts (including major parts such as transmissions, rear ends, springs, and fenders); agricultural machinery and equipment; marine vessels and their major parts; any other large machinery and equipment; tires (unless delivered as a part of the normal household waste stream not to exceed three percent (3%) by weight of the fuel feed into the combustor, provided the tires are processed to a nominal size not to exceed six inches (6") prior to feed); trailers; comparable bulky items of machinery or equipment; significant quantities of noncombustible construction material and/or demolition debris; long stringy material that can wrap around rotating equipment; any material quantity of Residue, Hazardous Material, liquid and gaseous wastes, sludges, infectious wastes, medical wastes (except as permitted at the Facility for Processing), sewage, manure, human remains and animal carcasses, highly flammable material, explosives, and radioactive materials (except as permitted at the Facility for Processing); street sweepings; tree trunk sections, branches and stumps longer than five (5) feet or more than eight (8) inches in diameter; matter or material longer than five (5) feet; or foundry sands and any other material required by any governmental agency or unit having appropriate jurisdiction to be disposed of at specifically designed, constructed, and licensed or permitted disposal facilities, other than the Facility.

Waste Disposal Agreements means any LCSWMA agreements for the acceptance at the Facility of Acceptable Waste.

Covanta Harrisburg Indemnified Parties shall mean Covanta Harrisburg and its officers, directors, representatives, employees, agents, shareholders, affiliates, and assigns.

Year means any calendar year (commencing on January 1 and ending on December 31); provided, however, that the last Year shall end on the date of termination or expiration of this Agreement; provided, further, that with respect to any Year which is shorter than twelve (12) months, calculations of any amounts for such Year based on a full twelve (12) month year shall be prorated for the number of months in such Year, except where this Agreement specifically provides that all of calendar Year 2013 shall be considered a single Year, the assignment of this Agreement from THA to LCSWMA during calendar Year 2013 notwithstanding.

EXHIBIT B
COLUMBIA MANAGEMENT AND PROFESSIONAL SERVICES
AGREEMENT

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Exhibit B

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EXHIBIT C
ELECTRICAL PLANT DESCRIPTION

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Exhibit C

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EXHIBIT D
OPERATION AND MAINTENANCE EXPENSES AND
RESPONSIBLE PARTIES

A. Covanta Harrisburg's Operation and Maintenance Cost Responsibilities

Wages & Benefits

Parts, subcontracting, major overhaul

Chemicals

Plant Supplies

Environmental Testing

Plant Equipment Rentals

Office Expenses for the control room and administrative area of the Facility

Building Services for the Facility

Mobile equipment maintenance/ replacement (excluding tipping floor and transfer station equipment)

Capital and/or replacement expenditures as set forth as Covanta Harrisburg's responsibility on Exhibit K

All other Expenses, unless identified below or otherwise provided for or contemplated as a pass through expense of LCSWMA in the Agreement

B. LCSWMA's Operation and Maintenance Cost Responsibilities

Utilities

Non-Plant Supplied Power

Water

Sewer

Auxiliary Fuel

provided that, subject to Force Majeure and Authority fault, LCSWMA shall only pay for or reimburse Covanta Harrisburg for the maximum amount of utility usage as follows:

1. Non-Plant Supplied Power - in any Year where there is no scheduled turbine generator outage, the maximum usage amount shall be 400 mwh per Year. In any Year where there is a scheduled turbine generator outage, the maximum amount shall be 1,500 mwh

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Exhibit D

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per Year. Scheduled turbine generator outages shall only occur consistent with Prudent Industry Practice.

2. Water - the maximum usage amount shall be 200 million gallons per Year, plus water necessary for the quench towers, as metered by Covanta Harrisburg. Consistent with the Agreement, Covanta Harrisburg has an affirmative obligation to use effluent where possible for cooling and quench tower purposes.

3. Sewer - the maximum usage amount shall be 100 million gallons per Year.

4. Auxiliary Fuel - the maximum usage amount shall be 75,000 mcf per Year.

Insurance

Mandated Fees (including without limitation, Act 101 fees)

Landfill Costs including Post Closure Costs

Trustee Fees

Ash Disposal

Ash Transportation from the ash landfill

Waste Bypass Transportation and Disposal

Debt Service

Management Fee

Incentive Payment

Reimbursement Amount

Performance Bond

Operating, certifying, maintaining and replacing (when necessary) the weighing facilities and tipping floor (including the transfer station) at the Facility and operating, fuelling, maintaining and replacing (when necessary) the rolling stock used in connection therewith

The labor to process and provide treatment and the treatment and supply costs for effluent used as a substitute for potable water in Facility operations

Capital and/or replacement cost expenditures as set forth as LCSWMA's responsibility's on Exhibit K.

EXHIBIT E FACILITY OPERATIONS

1.1 General. During the LCSWMA Term, Covanta Harrisburg and LCSWMA shall coordinate and cooperate with each other regarding the operation of the Facility in accordance with, and subject to, the provisions of this Agreement. Covanta Harrisburg shall not be responsible for the operation or maintenance of the Landfill or any other Residue or Bypassed Waste Disposal Facility.

1.2 Delivery and Acceptance of Waste.

(a) During the LCSWMA Term, LCSWMA may cause Acceptable Waste from any source to be delivered to the Facility and, subject to the provisions of this Agreement, Covanta Harrisburg shall accept and Process all Acceptable Waste so delivered in accordance with the provisions of this Agreement.

(b) LCSWMA has entered into a long term Waste Disposal Agreement with the City of Harrisburg and will from time to time become party to other Waste Disposal Agreements. LCSWMA reserves the right to enter into Waste Disposal Agreements directly with haulers, generators or other sources of waste.

1.3 Acceptance of Waste; Waste Screening.

(a) Covanta Harrisburg shall accept and Process all Acceptable Waste delivered to the Facility pursuant to this Agreement except the following, which Covanta Harrisburg may reject:

- (i) Unacceptable Waste;
 - (ii) Acceptable Waste delivered in excess of the Facility's Permit limitation;
 - (iii) Acceptable Waste that is not delivered in accordance with the Facility rules and regulations pursuant to Section 1.9(a) of this Exhibit E;
 - (iv) Acceptable Waste from any Authority hauler that has been suspended for violating the SRMC Rules and Regulations pursuant to Section 1.9(b) of this Exhibit E;
 - (v) Acceptable Waste delivered at hours other than Receiving Hours;
- and
- (vi) Acceptable Waste if (A) the acceptance or Processing of it would cause a violation of Applicable Law, (B) it cannot be accepted due to the occurrence of a Force Majeure, or (C) the rejection of it is reasonably necessary to comply with Prudent Industry Practices.

(b) Covanta Harrisburg and LCSWMA personnel may inspect the contents of any vehicle delivering solid waste to the Facility prior to unloading the vehicle, and require the hauler delivering such material to separate and remove all Unacceptable Waste contained therein. Any load of material rejected by Covanta Harrisburg pursuant to this Section 1.3(b) shall be deemed Unacceptable Waste. LCSWMA shall be responsible at its own cost for operating, maintaining and replacing (when necessary) the tipping floor (including the transfer station) at the Facility and operating, fueling, maintaining and replacing (when necessary) the rolling stock used in connection therewith. Covanta Harrisburg shall make available to LCSWMA the rolling stock used for such purpose on the date hereof, including but not limited to a Volvo Wheel Loader and Volvo excavator, in its "as is" condition but shall have no obligation to maintain or replace such rolling stock.

(c) Waste Screening responsibilities on the tipping floor will be the responsibility of LCSWMA as manager of the Tipping Floor activities.

1.4 Facility Site Changes. LCSWMA may in LCSWMA's sole and unfettered discretion change, improve or alter the Facility Site in ways that do not substantially degrade Covanta Harrisburg's operation of the Facility, including but not limited to access road, scale house and ash Landfill changes, improvements, expansions or alterations.

1.5 Scales and Weight Records.

(a) The Authority shall operate and maintain at its own cost the weighing facilities at the Facility Site. LCSWMA shall weigh all vehicles delivering Acceptable Waste to the Facility Site (whether or not Covanta Harrisburg accepts such Acceptable Waste), and shall complete a weight record with respect to each such vehicle. The weight records shall contain ticket number, gross and tare weight, date and time of delivery, waste type and origin, vehicle identification and the source or destination of such material, as applicable. LCSWMA shall give each vehicle written confirmation of such information at the time the vehicle is weighed or shall transmit such data on a daily basis (in the form of a summary report) as and to the extent required in the Waste Disposal Agreements. LCSWMA shall maintain daily records of the tonnage of (i) deliveries to the Facility, (ii) Acceptable Waste accepted and, if weighed, material rejected by LCSWMA (iii) Residue that is removed from the Facility Site and (iv) post combustion ferrous material removed from the Facility.

(b) LCSWMA may require each vehicle delivering Acceptable Waste to the Facility to present identification and its permit or license. LCSWMA may require at any time validation of the tare weight of any vehicle delivering Acceptable Waste to the Facility by weighing such vehicles in an unloaded condition; provided that, such validation shall occur on such regular basis that is consistent with Prudent Industry Practice.

(c) If all weighing facilities are incapacitated or are being tested or are otherwise not usable, a "scale outage" shall be deemed to occur and LCSWMA shall (1) reasonably estimate the quantity of Acceptable Waste delivered to the Facility by each Authority hauler on the basis of known vehicle volumes (in cubic yards) or on the basis of the amount of historic deliveries, but in no event shall such records be more than two (2) years old, and (ii) consult with Covanta Harrisburg as to any other effects of such scale outage. In the case of a

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Exhibit E

scale outage, these volumetric calculations shall be converted to Tons pursuant to and in accordance with the requirements of the Waste Disposal Agreements, or in the absence of such requirements, reasonable conversion calculations developed by LCSWMA, and shall take the place of actual weighing records pursuant to Section 1.5(a) during such scale outage.

(d) LCSWMA shall at its own cost inspect and test the weighing facilities annually or more frequently as required by Applicable Law. All tests of weighing facilities shall be conducted so as to minimize disruption of Facility operations.

1.6 Residue and Bypassed Waste.

(a) Covanta Harrisburg shall provide and maintain (or cause to be provided and maintained) all equipment necessary for the handling of Residue at the Facility Site. LCSWMA shall make arrangements and pay for the transportation and disposal of Residue and Bypassed Waste from the Facility Site (ash landfill or transfer station on the tipping floor) to the Disposal Facility. Covanta Harrisburg shall cause all Residue to be collected and loaded into vehicles for transportation and disposal at LCSWMA's on-site Landfill or other landfill in accordance with the applicable Project Agreements, the Permits and Applicable Law.

(b) LCSWMA shall not charge Covanta Harrisburg any fee for the use of its Landfill and shall pay all fees and costs for any other Residue or Bypassed Disposal Facility and transport thereto.

1.7 Disposal of Unacceptable Waste.

(a) To the extent not directly removed by the hauler delivering the same, LCSWMA shall arrange and pay for the transportation and disposal of Unacceptable Waste delivered to the Facility Site.

1.8 Hazardous Waste.

(a) The Facility is not intended or permitted to be a Hazardous Waste disposal, storage or handling facility. LCSWMA has developed and shall maintain a plan for the identification, safe handling and disposal of Hazardous Waste.

(b) Upon discovering Hazardous Waste at the Facility Site or Hazardous Waste delivered to the Facility, Covanta Harrisburg shall promptly notify LCSWMA and cooperate with LCSWMA's execution of the Hazardous Waste plan. LCSWMA shall, in accordance with Applicable Law and the Hazardous Waste plan, separate and store all Hazardous Waste discovered at the Facility Site. To the extent not directly removed by the hauler delivering the same, LCSWMA shall arrange and contract for the loading, removal from the Facility Site, transportation and disposal of Hazardous Waste delivered to the Facility Site. Covanta Harrisburg, at the written request of LCSWMA, shall cooperate with LCSWMA in LCSWMA's efforts to enforce its rights to payments under applicable insurance policies or from other persons or entities arising from the delivery to and acceptance of Hazardous Waste at the Facility or the Facility Site. LCSWMA shall reimburse Covanta Harrisburg for any Hazardous Waste Costs incurred by Covanta Harrisburg as a result of the delivery of Hazardous Waste to

the Facility, except to the extent incurred due to Covanta Harrisburg's negligence or intentional misconduct.

1.9 SRMC Rules and Regulations.

(a) LCSWMA has developed the SRMC Rules and Regulations, which are rules and regulations for the delivery of Acceptable Waste to the Facility. The SRMC Rules and Regulations shall apply to all haulers. LCSWMA may amend the SRMC Rules and Regulations from time to time that in ways that are not inconsistent with this Agreement and that apply equally to all haulers. The haulers shall be subject to any such amended SRMC Rules and Regulations beginning fourteen (14) days after issuance of notice of such amended SRMC Rules and Regulations.

(b) LCSWMA may refuse to receive Acceptable Waste from any hauler that violates the SRMC Rules and Regulations.

1.10 Repairs and Maintenance.

(a) Covanta Harrisburg shall operate and maintain the Facility in good condition at all times in accordance with Prudent Industry Practices. Except with respect to the weighing facilities and tipping floor, Covanta Harrisburg shall schedule, plan, supervise and perform all maintenance, including, without limitation, all routine, preventative and predicative maintenance, repairs and replacements at Covanta Harrisburg's expense required to enable Covanta Harrisburg to perform its obligations under this Agreement. Upon reasonable notice from LCSWMA, Covanta Harrisburg shall permit LCSWMA or its designees to inspect Covanta Harrisburg's maintenance, repair and replacement records. On the date of termination or expiration of this Agreement, Covanta Harrisburg shall deliver the Facility (excluding the weighing facilities and tipping floor) to LCSWMA or its designee, in good condition and repair, reasonable wear and tear excepted, and capable of processing waste and generating energy substantially at historical levels.

(b) Covanta Harrisburg and LCSWMA shall reasonably cooperate to keep the Facility and the Facility Site free from accumulations of dust, waste materials or rubbish (other than Residue) and snow. LCSWMA shall be responsible for the main access road and fencing through the Facility Site.

1.11 Utilities, Equipment and Supplies.

Covanta Harrisburg shall furnish or cause to be furnished all tools, supplies, utilities, equipment and other materials reasonably required for the performance of its obligations under this Agreement.

1.12 Covanta Harrisburg Personnel; Subcontractors and Suppliers.

(a) Covanta Harrisburg shall employ, train, supervise and maintain the qualifications of all personnel reasonably required for the performance of its obligations under this Agreement. Covanta Harrisburg may subcontract portions of its obligations pursuant to this Agreement to any subcontractor without approval by LCSWMA, but notwithstanding any

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Exhibit E

subcontract or agreement with any subcontractor, as to LCSWMA, Covanta Harrisburg shall remain solely responsible for the performance of its obligations pursuant to this Agreement. All Covanta Harrisburg personnel shall be qualified and shall meet applicable competency and qualification standards under Prudent Industry Practices and Applicable Law.

(b) Covanta Harrisburg shall administer all matters relating to labor relations, salaries, wages, working conditions, payroll taxes and contributions, hours of work, termination of employment, employee benefits, safety and all other matters relating to Covanta Harrisburg personnel.

1.13 **Public Tours.** From time to time Covanta Harrisburg will cooperate with LCSWMA in arranging public tours of the Facility in a fashion similar to the cooperation of Covanta Lancaster, Inc. with public tours of LCSWMA's Conoy Township facility.

1.14 **Facility Access, Inspections and Visitations.**

(a) LCSWMA or its designees shall have the right, at reasonable times with reasonable notice during regular business hours, to conduct inspections of the Facility or the Facility Site to determine that the Facility or the Facility Site is being operated and maintained in accordance with this Agreement. LCSWMA shall pay all of its costs associated with such inspections. In an emergency or when LCSWMA receives a notice of violation for the Facility, LCSWMA shall have immediate access to the Facility and Facility Site to conduct an inspection. In addition, LCSWMA, upon prior reasonable written notice to Covanta Harrisburg of no less than one (1) day, shall have the right during normal business hours to tour the Facility with its invitees, including access to the Facility and Facility Site.

(b) Each inspection under this Section 1.14 shall be conducted without unreasonable interference with Facility operations. In no event shall the provisions of this Section 1.14 require Covanta Harrisburg to incur additional expenses or cease Processing Acceptable Waste during, or as a result of, such inspection. Covanta Harrisburg shall be relieved from the performance of any obligations under this Agreement to the extent Covanta Harrisburg's nonperformance is caused by or results (in whole or in part) from the conduct of any inspection pursuant to this Section 1.14. Covanta Harrisburg shall cooperate with LCSWMA and its designees during the course of inspections and shall provide all data, records and assistance reasonably required by them to conduct any of the inspections required hereunder, and LCSWMA shall provide Covanta Harrisburg with the results of the inspection as soon as they are available.

(c) Covanta Harrisburg may refuse to permit visitations to the Facility by representatives of any competitor of Covanta Harrisburg, except that Covanta Harrisburg will provide access to the Facility, Facility Site and operating and maintenance records to representatives of any competitor of Covanta Harrisburg's if such access is requested by LCSWMA as part of any Authority process to procure a replacement operator of the Facility in accordance with the provisions of this Agreement. As a condition to entering the Facility or the Facility Site with respect to such inspections, Covanta Harrisburg may require compliance with the SRMC Rules and Regulations and the execution by each person so entering of a statement agreeing:

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(i) to assume the risk of the visit, inspection or tour and release Covanta Harrisburg from any liability therefor including, without limitation, the risk of personal injury or property damage from any cause (but not the risk of injury due to the intentional or negligent acts of Covanta Harrisburg or any of its Affiliates, subcontractors, agents or Covanta Harrisburg personnel); and

(ii) not to disclose or use any confidential or proprietary information of Covanta Harrisburg disclosed or discovered during such tour, visit or inspection other than for the purpose for which it was furnished.

1.15 Assignment and Enforcement of Warranties.

Covanta Harrisburg shall use reasonable efforts to cause all subcontractor, supplier and manufacturer warranties provided to it to be assigned to LCSWMA and to its designees, successors and assigns, to the extent permitted by the terms and conditions thereof.

1.16 Environmental Monitoring and Compliance. Covanta Harrisburg shall conduct environmental testing and monitoring at the times and in the manner required by the Permits, the Project Agreements and Applicable Law.

1.17 Permits. Covanta Harrisburg shall comply in all material respects with all Permits.

1.18 Facility Security. Covanta Harrisburg shall provide security for the following areas of the Facility: boiler house, turbine generator building, administrative building, and the water pre-treatment portion of the de-watering and drying building in order to protect and prevent damage to thereto, including, without limitation, the protection thereof from damage by the elements, theft, terrorism, or vandalism. Covanta Harrisburg shall report to local law enforcement authorities any security breaches it observes anywhere on the Facility Site and at or near the open portions of the Landfill.

1.19 Project Agreements.

(a) LCSWMA shall immediately notify Covanta Harrisburg of, and consult with Covanta Harrisburg regarding, any negotiations, agreements or disputes between LCSWMA and any other party to any Project Agreement that could reasonably affect the ability of Covanta Harrisburg or LCSWMA to perform its obligations hereunder.

(b) LCSWMA may at any time or from time to time, amend, modify, or supplement any Project Agreement or enter into any new agreement it deems necessary or desirable and designate such amendment, modification, supplement or new agreement as a Project Agreement for the purposes of this Agreement. As soon as practicable after the effective date of any amendment or supplement to any Project Agreement, LCSWMA shall deliver a copy thereof to Covanta Harrisburg.

1.20 Information Systems.

Covanta Harrisburg shall establish and maintain an information system to provide storage and ready retrieval of Facility operating data, including all information necessary to verify calculations made pursuant to this Agreement.

EXHIBIT F PERFORMANCE STANDARDS

1.21 **General.** Covanta Harrisburg shall operate and maintain the Facility in accordance with Prudent Industry Practices and so as to satisfy, on an annual basis, the performance standards set forth in this Exhibit F (collectively, the "Performance Standards"); provided, however, the payment of Performance Damages (subject to the Annual Liability Cap and Section 10.A of this Agreement) shall be LCSWMA's sole remedies for Covanta Harrisburg's failure to meet Performance Standards.

1.22 **Annual Throughput Standard.** Covanta Harrisburg shall accept and Process at least 248,200 Tons of Acceptable Waste per Year ("Annual Throughput Standard"); provided, that (a) Acceptable Waste in such amounts are delivered or deemed to be delivered to the Facility in accordance with this Agreement and are not properly rejected by Covanta Harrisburg in accordance with this Agreement, (b) Acceptable Waste delivered to the Facility has an annual average HHV below 5,200 Btu/lb and (c) the Annual Throughput Standard shall be reduced due to the occurrence of Force Majeure or if LCSWMA breaches or fails to perform its obligations hereunder and such breach materially affects Covanta Harrisburg's ability to perform its duties under this Agreement. In any Year, if Covanta Harrisburg requests relief from the Annual Throughput Standard because of the Btu value of the Acceptable Waste, LCSWMA may request that Covanta Harrisburg test the waste pursuant to the standards set forth in ASME PTC 4.1 and if relief is warranted because the Btu value is in excess of 5,200 btu/lb, LCSWMA shall bear the reasonable expense of the test; otherwise, Covanta Harrisburg will bear the expense and will not be provided relief from this Standard.

1.23 **Environmental Standard.** Covanta Harrisburg shall operate and maintain the Facility so as to satisfy in all material respects the environmental standards of the Permits (the "Environmental Standard"); provided, however, that the Environmental Standard shall be equitably adjusted as necessary to account for (i) significant changes in the waste delivered to Covanta Harrisburg that adversely affect the ability of Covanta Harrisburg to satisfy the Environmental Standard or (ii) Force Majeure or (iii) if LCSWMA breaches or fails to perform its obligations hereunder and such breach materially affects Covanta Harrisburg's ability to perform its duties under this Agreement. Covanta Harrisburg shall be entitled to contest in good faith any determination that it has not complied with the Environmental Standard or assert that its failure to comply with the Environmental Standard is caused by Force Majeure.

1.24 **Steam Quantity Standard.** Covanta Harrisburg shall produce at the Facility 1.3785 billion pounds of steam per Year ("Annual Steam Standard"); provided, that

(a) Acceptable Waste in at least the amount of the Annual Throughput Standard is delivered or deemed to be delivered to the Facility in accordance with this Agreement and not properly rejected by Covanta Harrisburg in accordance with this Agreement,

(b) Acceptable Waste delivered to the Facility has an annual average HHV above 4,680 Btu/lb and

(c) Annual Steam Standard shall be reduced due to the occurrence of Force Majeure or if LCSWMA breaches or fails to perform its obligations hereunder and such breach materially affects Covanta Harrisburg's ability to perform its duties under this Agreement. In any Year, if Covanta Harrisburg requests relief from the Steam Quantity Standard because of the Btu value of the Acceptable Waste, LCSWMA may request that Covanta Harrisburg test the waste pursuant to the standards set forth in ASME PTC 4.1 and if relief is warranted because the annual average of Btu value is below 4,680 Btu/lb, LCSWMA shall bear the reasonable expense of the test; otherwise, Covanta Harrisburg will bear the expense and will not be provided relief from this Standard.

1.25 . Residue Quality and Quantity Standard. Prior to the Closing Date, the Parties shall negotiate a yearly limit for the (i) maximum Residue amount produced as a percentage of annual throughput (the "Maximum Residue Limit") and (ii) combustible matter contained within the Residue as a percentage of the annual Residue with an appropriate adjustment to the Management Fee for achieving or not achieving these standards,

EXHIBIT G
PAYMENTS TO COVANTA HARRISBURG FOR
MANAGEMENT SERVICES

1.1 **Management Fee.** "Management Fee" means the sum of the Base Management Fee and the Special Recovery Fee, each as defined below in this Section. The Columbia Borough Electrical Plant Base Management Fee payable under the Columbia MPSA shall be in addition to the Base Management Fee. The 2013 Columbia Base Management Fee shall be \$100,000 per month during the LCSWMA Term and shall be escalated annually in the same manner as the Base Management Fee.

(a) "Base Management Fee" means \$899,950 per month during the LCSWMA Term, escalated annually for each calendar Year beginning January 1, 2014 on the basis of the Index. The base index year shall begin on January 1, 2013. For purposes of this subsection, the Consumer Price Index ("Index") shall mean the annual "Consumer Price Index, For the Northeast Urban Area, All Items," Series Id: CUURO100SAO, Not Seasonally Adjusted, for the Northeast Urban Area, All Items, Base Period: 1982-04=100" published by the Bureau of Labor Statistics. Should said Bureau of Labor Statistics change the manner of computing said Index, and should the Bureau furnish a conversion factor designed to adjust the new Index to the one previously in use, then the adjustment to the new Index shall be made on the basis of such conversion factor. Should the publication of such Index be discontinued by said Bureau of Labor Statistics, then such other Index as may be published by such Bureau most nearly approaching said discontinued Index shall be used in making the adjustment herein provided. Should said Bureau discontinue the publication of an Index approximating the Index herein contemplated, then the parties shall agree upon a new Index. The base CPI shall be ____, i.e. the annual CPI for calendar Year 2013.

(b) "Special Recovery Fee" means \$41,509.56 per month for 49 consecutive months, beginning on the first day of the calendar month following the Closing Date and continuing on the first day of each month thereafter. The obligation of LCSWMA to pay each such monthly installment of the Special Recovery Fee shall survive termination of this Agreement for any reason, including without limitation Covanta Harrisburg default and the expiration of the LCSWMA term, until all 49 payments have been made. Other than the Special Recovery Fee payments, there is no "Early Termination Amount" under this Amended and Restated Agreement.

(c) **Adjustments to the Management Fee and Incentive Payments.**

(i) "Performance Damages" shall mean, for any Year, an amount equal to the sum of Throughput Damages and damages for any failure to satisfy the Environmental Standard and Maximum Residue Limit in each case for such Year as subject to the Annual Liability Cap for such Year. Notwithstanding the assignment of this Agreement from THA to LCSWMA, all Performance Damage calculations under shall treat calendar Year 2013 as a single Year, allocated based on the percentage of 2013 the applicable party owned the Facility.

(ii) "Throughput Damages" means, for any Year, an amount equal to the product of (A) the positive difference, if any, between the Annual Throughput Standard minus the number of tons of waste actually accepted during the Year by Covanta Harrisburg, multiplied by (B) \$50.00, which amount shall be escalated annually in the same manner as the Base Management Fee. Notwithstanding the assignment of this Agreement from THA to LCSWMA, all Throughput Damage calculations shall treat calendar Year 2013 as a single Year, allocated based on the percentage of 2013 the applicable party owned the Facility.

(iii) "Excess Waste Fee", for a Year, shall equal \$22.86 per ton times the excess (if any) of the number of Tons of waste Processed during the Year over the Annual Throughput Standard. The Excess Waste Fee shall be increased each Year based on the Index in the same manner as the Base Management Fee (as defined above). Notwithstanding the assignment of this Agreement from THA to LCSWMA, all Excess Waste Fee calculations shall treat calendar Year 2013 as a single Year, allocated based on the percentage of 2013 the applicable party owned the Facility.

(iv) "Energy Fee" means 6% of the total gross revenues received by Columbia from the sale of electricity generated at the Facility in each Year, and steam generated at the Facility in each Year to the extent it is sold to third parties as an independent commodity and not used by the Facility to operate the turbine and generate electricity, and an additional 44% of the portion of such gross revenues in excess of \$9 Million in such gross revenues during each Year. The \$9 Million threshold shall be increased each Year based on the Index in the same manner as the Base Management Fee. The Energy Fee shall be paid from the Electricity Escrow Account. Notwithstanding the assignment of this Agreement from THA to LCSWMA, all threshold calculation shall treat calendar Year 2013 as a single Year, allocated based on the percentage of 2013 the applicable party owned the Facility.

(v) "Scrap Metal Fee" for any period equals 50% of the gross revenues from the sale of any received ferrous or non-ferrous metals.

(vi) "Maximum Residue Limit Fee", the yearly adjustment to the Management Fee for bettering the Maximum Residue Limit negotiated pursuant to Exhibit F. Notwithstanding the assignment of this Agreement from THA to LCSWMA, all Maximum Residue Limit Fee calculations shall treat calendar Year 2013 as a single Year, allocated based on the percentage of 2013 the applicable party owned the Facility.

1.2 Annual Reconciliation.

(a) Within thirty (30) days following the end of each Year, Covanta Harrisburg shall provide to LCSWMA a detailed statement showing its calculation of all Performance Damages owed for the prior Year (the "Annual Reconciliation").

(b) Covanta Harrisburg shall pay to LCSWMA the amount of Performance Damages due to LCSWMA pursuant to each Annual Reconciliation prepared in accordance with this Section 1.2 by wire transfer in immediate funds within fifteen (15) days of calculation of the Annual Reconciliation.

(c) Covanta Harrisburg shall submit an invoice within 30 days after the end of each month for any Energy Fee, Scrap Metal Fee and Excess Waste Fee earned for the prior month, and LCSWMA shall pay the invoice, or cause the invoice to be paid from the Electricity Escrow Account, as applicable within thirty (30) business days of receipt thereof by wire transfer in immediately available funds.

(d) The Annual Reconciliation for calendar Year 2013 shall be based upon the entire Year and the results of the Annual Reconciliation shall be allocated between LCSWMA and THA based on the number of days in 2013 that each owned the Facility.

1.3 **Late Payments.** Any amounts payable under this Agreement that are not paid when due shall, unless otherwise specifically provided herein, bear interest at the Late Payment Rate, compounded monthly.

1.4 **Disputed Payments.** If Covanta Harrisburg or LCSWMA disputes any amount asserted to be payable hereunder, the amounts asserted to be payable shall nevertheless be paid when due without set-off and the Parties shall thereafter resolve such dispute pursuant to the dispute resolution procedures set forth in the Agreement. Immediately after the resolution of such dispute, the Party whose position does not prevail shall reimburse the other Party for the aggregate amount owed, plus interest accrued from the date originally due (as though there had been no dispute) at the Late Payment Rate.

EXHIBIT H PROJECT AGREEMENTS AND PERMITS

A. Project Agreements

Third Party Hauler Agreements

1. Agreement for Delivery of Acceptable Municipal Solid Waste, effective April 1, 2011, by and between BWS Ventures, LLC d/b/a Earthwatch Waste Systems and THA Agreement for Delivery of Acceptable Municipal Solid Waste, effective March 1, 2011, by and between Knight Environmental, LLC d/b/a Hillside Sanitation and THA.

2. Agreement for Delivery of Acceptable Municipal Solid Waste, dated March 1, 2011, by and between THA and North Schuylkill Transfer Station, LLC

Supplemental Waste Agreement

3. Specialty Waste Marketing and Sales Agreement, dated November 1, 2009, between THA and Chesapeake Waste Solutions Inc.

Approved Disposal Facilities per County Municipal Waste Plans

4. Municipal Waste Disposal Capacity Agreement, dated as of August 25, 2010, by and between the County of Schuylkill, Pennsylvania, and THA.

5. Municipal Waste Disposal Service Contract, dated as of August 2, 2010, by and between the County of Northumberland, Pennsylvania, and THA

6. Municipal Waste Disposal Agreement, dated as of June 20, 2005, by and between the County of Perry, Pennsylvania, and THA

7. Solid Waste Disposal Contract, dated as of August 9, 2012, by and between the Solid Waste Authority of Cumberland County and THA

Designated Disposal Facility for MSW per County Plan and City Agreement

8. Municipal Waste Disposal Agreement, dated December 9, 1993, between LCSWMA and the City of Harrisburg (amended and restated from The Harrisburg Authority Agreement).

B. Permits

1. Pennsylvania Department of Environmental Protection ("DEP") Solid Waste (Incinerator) Permit Number 100758 (i.e. for Municipal Waste Combustion Units and Transfer Station), issued on July 13, 1972, renewed November 30, 2002 and last modified on June 20, 2005.

2. DEP Solid Waste (Ash Landfill) Permit Number 100992 (last modified and renewed on March 18, 2004).
3. DEP Air Quality Plan Approval Number 22-05007B (i.e. for Municipal Waste Combustion Units) issued on September 10, 2003.
4. Susquehanna River Basin Commission Consumptive Water Use Permit as Docket Number 19880201, last modified on December 12, 2002.
5. City of Harrisburg, Department of Public Works, Bureau of Sewerage Industrial User Permit Number 032010-9, last modified on November 21, 2005.
6. City of Harrisburg Building and Use Permit Number 200305601-1, issued on May 19, 2003.
7. Pennsylvania Department of Labor and Industry ("L&I") Occupancy Permit for Turbine and Generator Building, File Number 098103, approved September 11, 1985.
8. L&I Occupancy Permit for the Facility.
9. L&I Occupancy Permit for D&D Building, File Number 200920, approved November 14, 1990.
10. Federal Communications Commission Wireless Telecommunications Bureau Radio Station Authorization, File Number 0000866918, April 30, 2002 (i.e. two-way radios and base station for facility communications).
11. DEP Air Quality Operating Permits: (1) for operation of the Facility and (b) a Title V Operating Permit.
12. L&I Occupancy Permit for Turbine and Generator Building, File Number 098103 and for the Facility.

EXHIBIT I

FACILITY DESCRIPTION AND FACILITY SITE

Facility Description

The Electrical Plant consists of a turbine building housing a 24,132 megawatt turbine generator and ancillary systems; switchyard and transformer as described on Exhibit C. The Mass Burn Plant consists of three 266-ton per day furnace-boiler systems, air pollution control systems consisting of acid gas controls, baghouses selective non-catalytic reduction system for NOx control and activated carbon injection; refuse cranes, the ash handling system, and the vessels, pumps, compressors, blowers, fans and the instrumentation connected to these systems; scale house tipping floor; transfer station; pretreatment facility; cooling tower and related facilities used by Covanta Harrisburg to Process waste. The Facility consist of the Electrical Plant and the Mass Burn Plant.

Facility Site Description

ALL that certain piece or parcel of land situate in City of Harrisburg and Swatara Township, Dauphin County, Pennsylvania, being more particularly bounded and described as follows:

BEGINNING at a point, said point being a brass disc set in concrete at the road face of a stone wall on the east right-of-way line of Cameron Street, said point also being the westerly most corner of the herein described parcel; thence along the southern line of land now or formerly the City of Harrisburg (Cameron Park) the following twelve (12) courses and distances; NORTH 45 degrees 10 minutes 00 seconds EAST a distance of 697.50 feet from an iron rod found near the base of an old wood fence post; thence NORTH 09 degrees 20 minutes 00 seconds WEST a distance of 450.00 feet to a concrete monument set; thence 424.115 feet on a curve to the right having a central angle of 90 degrees 00 minutes 00 seconds, a radius of 270.00 feet, and a chord bearing NORTH 35 degrees 40 minutes 00 seconds EAST a distance of 381.84 feet to a concrete monument set at the mid-point of a semi-circle; thence continuing 424.115 feet on a curve to the right, having a central angle of 90 degrees 00 minutes 00 seconds, a radius of 270.00 feet, and a chord bearing SOUTH 54 degrees 20 minutes 00 seconds EAST a distance of 381.84 feet to a concrete monument set; thence SOUTH 09 degrees 20 minutes 00 seconds EAST a distance of 400.00 feet to a concrete monument set; thence NORTH 79 degrees 12 minutes 00 seconds EAST a distance of 135.00 feet to a concrete monument set; thence SOUTH 40 degrees 08 minutes 00 seconds EAST a distance of 130.89 Feet to a point, said point being NORTH 20 degrees 04 minutes 10 seconds WEST a distance of 0.55 feet from a concrete monument found; thence NORTH 73 degrees 21 minutes 00 seconds EAST a distance of 219.20 feet to a concrete monument set; thence SOUTH 16 degrees 39 minutes 00 seconds EAST a distance of 100.00 feet to a concrete monument set on the beginning point of a curve; thence 240.91 feet on a curve to the left, having a central angle of 25 degrees 35 minutes 40 seconds, and a chord bearing NORTH 70 degrees 33 minutes 09 seconds EAST a distance of 238.91 feet to a concrete monument set on said curve and being at or near the boundary line between the City of Harrisburg on the west and Swatara Township on the east; thence continuing 379.06 feet along said curve to the left having a central angle of 40 degrees 16 minutes 18 seconds, a radius

(00699513.4)

Exhibit I

of 539.30 feet, and a chord bearing NORTH 37 degrees 37 minutes 10 seconds EAST a distance of 371.31 feet to a concrete monument set; thence NORTH 17 degrees 29 minutes 00 seconds EAST a distance of 116.40 feet to an iron rod set at a base of a tree, and being on the said western right-of-way line of 19th Street; thence along the western right-of-way line of 19th Street the following three (3) courses and distances; SOUTH 13 degrees 24 minutes 00 seconds EAST a distance of 220.00 feet to a concrete monument set at the corner of the division line between tract No.1 and tract No.2 in Deed Book I Volume 64, page 482; thence SOUTH 13 degrees 24 minutes 00 seconds EAST a distance of 417.89 feet to an iron rod found and replaced by a concrete monument set; thence 584.13 feet on a curve to the left, having a central angle of 33 degrees 28 minutes 00 seconds, a radius of 1,000.05 feet, and a chord bearing of SOUTH 30 degrees 08 minutes 00 seconds EAST a distance of 575.86 feet to an iron rod found and replaced by a concrete monument set, where the western right-of-way line intersects the northwesterly right-of-way line of Gibson Street, said point being SOUTH 85 degrees 39 minutes 28 seconds WEST a distance of 38.90 feet from a railroad spike found, where the physical center-line of Gibson Street intersects the projection of the westerly concrete pavement edge of 19th Street; thence along the northwestern right-of-way line of Gibson Street the following two (2) courses and distances SOUTH 45 degrees 05 minutes 00 seconds WEST a distance of 950.61 feet to a point being a corner of tract No.1 and tract No.2 in Deed Book I Volume 64, page 482; thence SOUTH 45 degrees 05 minutes 00 seconds WEST a distance of 88.24 feet to a concrete monument set at the easterly most corner of land now or formerly Automotive Financial Services, Inc., said point being NORTH 45 degrees 29 minutes 15 seconds EAST a distance of 152.32 feet from an iron rod found; thence along the northeastern line of land now or formerly Automotive Financial Services, Inc. NORTH 50 degrees 39 minutes 00 seconds WEST a distance of 462.33 feet to an iron pipe found in concrete; thence along land now or formerly Automotive Financial Services, Inc., and William J. Rozman in part, SOUTH 43 degrees 11 minutes 20 seconds WEST a distance of 247.30 feet to an iron rod found; hence along land now or formerly Thomas J. Flynn in part, land now or formerly Downtown Car Wash in part, and land now or formerly Thomas Maslowski in part, NORTH 51 degrees 00 minutes 13 seconds WEST a distance of 462.78 feet to an iron rod found; thence along land now or formerly Pennsylvania Power and Light Company, Inc. the following three (3) courses and distances NORTH 42 degrees 58 minutes 06 seconds EAST a distance of 50.10 feet to a point near an existing well casing; thence NORTH 50 degrees 44 minutes 07 seconds WEST a distance of 385.57 feet to a concrete monument set; thence SOUTH 39 degrees 08 minutes 28 seconds WEST a distance of 50.00 feet to an iron rod found; thence along land now or formerly Pennsylvania Power and Light Company the following course SOUTH 39 degrees 08 minutes 28 seconds WEST a distance of 249.33 feet to an iron disc tablet found set in concrete; thence along the eastern right-of-way of Cameron Street the following six (6) courses and distances, NORTH 46 degrees 28 minutes 02 seconds WEST a distance of 148.11 feet to a brass disc set in concrete; thence NORTH 46 degrees 25 minutes 45 seconds EAST a distance of 32.40 feet to a concrete monument set; thence NORTH 42 degrees 00 minutes 08 seconds WEST a distance of 106.70 feet, to a point in Spring Creek; thence SOUTH 49 degrees 33 minutes 59 seconds WEST a distance of 26.00 feet to a brass disc set in concrete; thence NORTH 36 degrees 10 minutes 00 seconds WEST a distance of 209.90 feet to a railroad spike set in the Cameron Street entrance to the herein described parcel; thence NORTH 33 degrees 00 minutes 00 seconds WEST a distance of 44.94 feet to the point or place of beginning. Containing 59.498 acres of land more or less.

(00699513.4)

Exhibit I

- 2 -

Subject to the following easements of record:

(a) A power line transmission easement as described in Deed Book 188, page 4, from the "City of Harrisburg" to "Pennsylvania Power and Light Company" dated October 23, 1980, and recorded on January 30, 1982.

(b) A power line transmission easement as described in Deed Book 745, page 21, from "City of Harrisburg" to "Pennsylvania Power and Light Company" dated February 28, 1986, and recorded on April 28, 1986.

(c) A utility power line easement, as described in Deed Book "U" volume 13, Page 514, from the "Harrisburg Incinerator Authority" to the "Pennsylvania Power and Light Company", dated October 26, 1970, and recorded on February 23, 1971.

(d) A drainage easement from the "City of Harrisburg" to "Pennsylvania Power and Light Company" as described in Deed Book 247, page 254, deed dated August 4, 1981, and recorded on October 6, 1981.

(e) A power line easement as described in a deed from the "City of Harrisburg" to "Pennsylvania Power and Light Company" in Deed Book 819, page 441, dated May 28, 1986, and recorded on September 22, 1986.

EXHIBIT J
INTERMUNICIPAL AGREEMENT FOR LEASE OF THE SRMC
ELECTRICAL PLANT AND STEAM SALE AND PURCHASE

{00699513.4}

**EXHIBIT K
CAPITAL IMPROVEMENTS SCHEDULE**

(00699513.4)

Harrisburg Resource Recovery Facility
 Projected 4-Year Capital and Replacement Schedule, FY2014 - FY2017
 \$ Amounts based on 2013 Estimates only

Item	Responsible Party	2014	2015	2015	2017	Approx. Frequency	Owner Priority
Grapple Repairs / Refurbishing	Covanta	\$60,000				5-8 Years	2
New Motors	Covanta	\$10,000				5-8 Years	2
Structural MOC Protection	Owner	\$25,000				Initial	3
Inconel Coverage - Annual	Covanta	\$250,000	\$257,500	\$265,000	\$273,182	Annual	
Refractory Repairs	Covanta	\$150,000	\$154,500	\$159,125	\$163,909	Annual	
Inconel Overlay - Initial Addition	Owner	\$400,000				Initial	2
Gate System Upgrades	Owner	\$250,000	\$250,000	\$250,000		Initial (1 per year)	1
Ash Discharge Roller / Swap Plans Upgrade	Covanta	\$75,000	\$75,000	\$75,000	\$75,000	Initial (1 per year)	1
Gen Bank Screen Tubes	Covanta				\$300,000	3 units 7 year	
Primary Superheater Repair / Replace	Covanta				\$550,000	3 units 10+ year	
Secondary Superheater Repair / Replace	Covanta				\$550,000	3 units 8 year	
Finishing Superheater Repair / Replace	Covanta	\$550,000				3 units 4-6 Year	
Evaporator Section Replacement	Covanta				\$650,000	3 units 10-15 Year	
Economizer Tube Replacement	Covanta				\$650,000	3 units 12-17 Year	
Boiler Hopper Refractory Repairs	Covanta	\$75,000	\$77,250	\$79,568	\$81,953	Annual	
Sootblower maintenance	Covanta		\$20,000	\$20,000	\$21,218	Annual	
Tube Shields (if sootblowers added)	Covanta		\$20,000	\$20,000	\$20,600	Annual	
Tube Shields after Sootblower Initial Installation	Owner		\$125,000			Initial	2
Boiler Hopper Refractory Replacement	Owner	\$100,000	\$100,000			Initial	2
Superheater Leaks Clean-off Devices	Owner	\$125,000				Initial	2
Sootblowers - manual key valve	Owner	\$800,000				Initial	2
Variable Speed for ID and FD Fans	Owner		\$1,000,000			Initial	2
Air Heater Tube Replacement / Upgrade	Owner	\$550,000	\$556,500	\$563,495	\$570,200	#3 2014 - #1 2014	1
Quench Dust / Vessel Refining annual	Covanta		\$35,000	\$36,050	\$37,132	Annual	
Time System Maintenance (Blowers)	Covanta	\$40,000	\$41,200	\$42,456	\$43,769	Annual	
Quench Dust / Vessel Refining Initial	Owner	\$125,000	\$125,000			Initial	1
Bag & Cage Replacement	Covanta	\$60,000	\$61,800	\$63,654	\$65,564	115-2 Years (optional)	
Hopper Entrance & Hopper / Compartment Refining	Covanta	\$40,000	\$41,200	\$42,456	\$43,769	Annual	
Ash Building Redesign and Rehabil	Owner	\$2,000,000				Initial	1
Boiler Screw Conveyor Rehab	Covanta	\$120,000			\$140,000	3-5 Years	
Boilerhouse Drag Conveyor Rehab	Covanta				\$100,000	5-8 Years	
Main Fan Conveyor Refining	Covanta	\$50,000	\$50,000	\$50,000	\$50,000	3-5 Years	
Backup Belt Conveyor Maintenance	Covanta	\$40,000	\$40,000	\$40,000	\$40,000	5 Year	
Ferrous Magnet	Covanta	\$50,000	\$50,000	\$50,000	\$50,000	5-10 Years	

None-Ferrous annual O&M (if added)	Owner	\$50,000	\$51,500	\$53,045	Annual
Condenser Cleaning (Tubes) - annual	Covanta	\$20,000	\$20,600	\$21,218	Annual
Generator Overhaul (Bearings, Inspect)	Covanta			\$400,000	5-7 Years
Turbine Inspect & Overhaul, Covanta share - including blades	Covanta				5-7 years
Install Isolation valves on Circulating Water at Condenser	Owner	\$125,000			Initial
Flue Inspection Bottom 10-20 feet	Owner	\$75,000			Initial
RO System	Covanta	\$75,000		\$75,000	3 Years
ID / FD / OPA / Seal Fan Overhauls	Covanta	\$30,000	\$31,827	\$32,782	Annual (Rotations)
Carbon System Rehab	Covanta	\$30,000		\$125,000	5-10 Years
CEMS Upgrade	Owner	\$1,250,000			Initial
Electrical / I&C / Control System Upgrade	Owner	\$60,000			12-15 Years
Pipe/Valve/Insulation/Lagging Repairs	Covanta	\$110,000	\$113,300	\$116,659	Annual
FER / ID / Stack Dressing Repairs	Covanta	\$200,000			Initial
Excesswater - 180	Owner		\$250,000		If Transfer - 6-8 Years
Loader	Owner		\$300,000		6-8 Years
Roll-off Equipment & Containers	Covanta	\$35,000			3 Years
Ash Transportation Equipment	Owner	\$450,000			6-8 Years
Robust Loader	Owner	\$40,000			6-8 Years
Rolling					
New Configuration Scale / Scale house / 19" S	Owner	\$500,000			Initial
Tipping Floor Expansion	Owner	\$1,200,000			Initial
New CEMD / Public Drop-off	Owner	\$1,400,000			Initial
Site Security - Fencing	Owner	\$150,000			5-10 Years
Wastewater system upgrade - in plant	Owner	\$250,000			Initial
Effluent Reuse - Implement	Owner	\$60,000			Initial
Roof Membrane	Owner	\$25,000			Initial - most OK
Fire Protection - Add Diesel Pump	Owner	\$250,000			Initial
Site work	Owner	\$250,000			2
Miscellaneous Repairs	Owner	\$100,000	\$100,000	\$100,000	Initial
Subtotal		\$5,905,000	\$4,054,826	\$5,216,772	
Owner responsibility		\$7,960,000	\$2,514,985	\$1,255,045	
Initial Capital (Owner, Including Reserves for years 1-5)		\$15,616,540			
Initial Capital (Owner, Including Reserves for years 1-5)		\$11,324,500			

Execution Version

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is made this ____ day of December, 2013 (the "Agreement"), by and among The Harrisburg Authority ("THA"), the County of Dauphin, Pennsylvania (the "County"), CIT Capital USA Inc. ("CIT"), Areal Technologies of Harrisburg, LLC ("Areal"), Assured Guaranty Municipal Corp. ("Assured Guaranty") and Major General William Lynch, solely in his capacity as Receiver for the City of Harrisburg (including any predecessors or successor thereof, the "Receiver") and on behalf of the City of Harrisburg (collectively, the "Parties").

WHEREAS, the County and THA brought a declaratory judgment and injunction action (the "Action") against CIT and Areal in the United States District Court for the Middle District of Pennsylvania (the "Court"), captioned *The Harrisburg Authority, et al. v. CIT Capital USA Inc., et al. No. 4:08-CV-00180* in which the Receiver intervened;

WHEREAS, CIT and Areal filed counterclaims in the Action against THA and the County;

WHEREAS, CIT's and Areal's counterclaims against THA involve a certain First Amended and Restated Nonexclusive Technology Sub-Licensing Agreement and Technology Purchase Agreement dated as January 11, 2006 by and between Barlow Projects Harrisburg, LLC and THA (the "Restated Sublicensing Agreement") concerning the Harrisburg Materials, Energy, Recycling and Recovery Facility owned by the Authority (the "Incinerator Facility");

WHEREAS, the Action proceeded to trial, and on June 27, 2012, the Court entered judgment (the "Judgment") in favor of CIT and Areal against THA and the County consisting of (i) a monetary judgment against THA in the amount of \$19,300,027.40 plus interest, and (ii) a

declaration that the monetary award to CIT and Aireal is payable “by THA prior to any further payment by THA to its bondholders”;

WHEREAS, under the terms of the Restated Sublicensing Agreement, CIT and Aireal assert claims (the “Continuing Sublicensing Agreement Claims”) against THA for installment obligations that have come due and payable since entry of the Judgment and that will continue to come due and payable as provided in the Restated Sublicensing Agreement, subject only to the timely consummation of the settlement provided for under the terms of this Agreement, including payment in full to CIT and Aireal of the Settlement Amount (as defined herein);

WHEREAS, the County and THA timely appealed from the Judgment to the United States Court of Appeals for the Third Circuit, captioned *The Harrisburg Authority, et al. v. CIT Capital USA, et al., Nos. 12-3076 & 12-3077* (the “Appeals”). The Appeals are currently pending and the Receiver intervened in the Appeals;

WHEREAS, the City of Harrisburg, Dauphin County, Pennsylvania (the “City”) has been placed under receivership pursuant to 53 P.S. §11701.703, and the Receiver wishes to resolve all claims that could impede a global settlement with the City’s creditors;

WHEREAS, Assured Guaranty and the County are among a group of major creditors of the City (collectively, the “Major Creditors”) that have agreed with the Receiver on a structure for a global settlement, the general terms of which are described in an amended recovery plan (the “City Recovery Plan”) for the City, called the Harrisburg Strong Plan filed by the Receiver on August 26, 2013, and confirmed on September 23, 2013 by the Pennsylvania Commonwealth Court presiding over the City Receivership proceedings;

WHEREAS, the City Recovery Plan provides for, and the Receiver, THA, Assured Guaranty and the County have agreed to the terms and conditions of a sale (the “Incinerator

Transaction”) by THA of the Incinerator Facility to the Lancaster County Solid Waste Management Authority (“LCSWMA”), and

WHEREAS the City Recovery Plan provides for, and the Receiver, Assured Guaranty and the County have agreed to the terms and conditions of a lease and asset transfer transaction by and among the Harrisburg Parking Authority, the City and the Pennsylvania Economic Development Financing Authority (“PEDFA”) and the authorization by the City to PEDFA of certain rights to maintain and enforce on-street parking (collectively, the “Parking Transaction”); and

WHEREAS, the Parties desire to settle and resolve the claims of CIT and Aireal as part of the global settlement and resolution of the financial distress of the City and to avoid the potential for any delay or interruption of distribution of the funds received from the Incinerator Transaction and the Parking Transaction.

NOW THEREFORE, with the foregoing recitals deemed incorporated hereafter, the Parties signatory hereto, intending to be legally bound, and for other good and valuable consideration agree, as follows:

1. The Parties’ representations, covenants and undertakings in paragraphs 4, 5, 6 and 7 of this Agreement are contingent upon the closing and distribution of funds of both the sale of the Incinerator Transaction and the Parking Transaction pursuant to the terms of the City Recovery Plan.

2. Within five (5) days of the later to occur of funding of the Incinerator Transaction or the funding of the Parking Transaction and consistent with the payment priority enjoyed by CIT and Aireal under the Judgment, no later than the distribution of funds to or on account of claims of Major Creditors, including holders of THA-issued bonds, CIT and Aireal shall be paid

Twenty-One Million Five Hundred Thousand Dollars (\$21,500,000) (the "Settlement Amount") in immediately available funds. Pending payment of the Settlement Amount to CIT and Aireal, no proceeds of either the Incinerator Transaction or the Parking Transaction shall be released, distributed or disbursed to any person for any reason.

3. The County, THA and the Receiver immediately shall withdraw and discontinue the Appeals with prejudice. CIT and Aireal agree to take no action with respect to collection or enforcement of the monetary portion of the Judgment or the Continuing Sublicensing Agreement Claims, until the termination of this Agreement as set forth in paragraph 9 hereof.

4. Strictly conditioned upon performance under and consummation of this Agreement in accordance with its terms, including the payment to CIT and Aireal of the Settlement Amount in accordance with paragraph 2 hereof, CIT and Aireal shall release THA, the County, the City, the Receiver and Assured Guaranty as follows: CIT and Aireal, on behalf of themselves and their respective successors-in-interest and assigns, do hereby forever, fully, and completely release, acquit and discharge THA, Assured Guaranty, the City, the Receiver and the County, and their respective elected and appointed officials, directors, officers, employees, agents, representatives, servants, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, of and from all, and all manner of, claims, actions, and causes of action, suits, debts, obligations, promises, expenses, bills, interest, liens, liabilities, dues, accounts, bonds, covenants, contracts, agreements, costs, judgments, claims and demands whatsoever, in law or in equity, or otherwise, whether known or unknown, accrued or unaccrued, which CIT or Aireal and their respective successors-in-interest and assigns ever had, now has, or can, shall or may in the future have against THA, the City, the Receiver, the County or Assured Guaranty, and their respective

elected and appointed officials, directors, officers, employees, agents, representatives, servants, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, for, or by reason of, or in connection with the Incinerator Facility, the Restated Sublicensing Agreement or use of the Combustion Technology (as such term is defined in the Restated Sublicensing Agreement), including those matters raised in the litigation styled *The Harrisburg Authority et al. v. CIT Capital USA, Inc., et al., No. 4:08-CV-00180 (Middle District of PA)*, including, without limitation, the Judgment and the Continuing Sublicensing Agreement Claims. Without limiting the generality of the foregoing, CIT and Aireal acknowledge and agree that receipt of the Settlement Amount satisfies all payment obligations, whether principal, interest, costs or otherwise, which may be due to them – past, present or future – arising from or related to the Restated Sublicensing Agreement or use of the Combustion Technology as well as being deemed payment by THA to Aireal of the Technology Purchase Price (as that term is defined in Restated Sublicensing Agreement). This release shall include all claims under the Restated Sublicensing Agreement by Aireal and its successors or assigns, such that upon the effective date of this release, both a Purchase Date and a Reduction Date (as those terms are defined in the Restated Sublicensing Agreement) shall be deemed to have occurred, and in accordance with Restated Sublicensing Agreement section 6(c), Aireal shall have transferred its rights and interests in the Combustion Technology to THA, and the Restated Sublicensing Agreement shall have terminated in the manner and subject to the conditions and restrictions in the Restated Sublicensing Agreement.

5. Strictly conditioned upon performance under and consummation of this Agreement in accordance with its terms, including the payment to CIT and Aireal of the Settlement Amount in accordance with paragraph 2 hereof, each of THA, the County, the City,

the Receiver and Assured Guaranty shall release CIT and Aireal, as follows: THA, the County, the City, the Receiver and Assured Guaranty and their respective successors-in-interest and assigns do hereby forever, fully, and completely release, acquit and discharge, CIT and Aireal and their respective directors, officers, employees, agents, representatives, servants, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, of and from all, and all manner of, claims, actions, and causes of action, suits, debts, obligations, promises, expenses, bills, interest, liens, liabilities, dues, accounts, bonds, covenants, contracts, agreements, costs, judgments, claims and demands whatsoever, in law or in equity, or otherwise, whether known or unknown, accrued or unaccrued, which THA, the County, the City, the Receiver or Assured Guaranty and their respective successors-in-interest and assigns ever had, now has, or can, shall or may in the future have against CIT or Aireal and their respective directors, officers, employees, agents, representatives, servants, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, for, or by reason of, or in connection with the Incinerator Facility, the Restated Sublicensing Agreement, or use of the Combustion Technology, including those matters raised in the litigation styled *The Harrisburg Authority et al. v. CIT Capital USA, Inc., et al., Nos.4:08 – CV-00180 (Middle District of PA)*.

6. Each Party warrants to the other Parties that it has not assigned, transferred, or conveyed to any person, in any form or manner, any demand, cause of action, obligation or liability that such party has or may have that is or would be the subject of the releases in paragraph 4 or 5 of this Agreement. Aireal also represents to THA and to the Receiver that it has not assigned, transferred, or conveyed to any person any rights or claims under or in respect of the Restated Sublicensing Agreement or the Combustion Technology.

7. Promptly after its receipt of payment of the Settlement Amount, and on condition that THA, the County and the Receiver shall have first complied with their obligations to (i) file this Agreement with the Commonwealth Court as required by the Court's confirmation order as contemplated by paragraph 9(i) of this Agreement, and (ii) withdraw and discontinue with prejudice the Appeals as required by the first sentence of paragraph 3 of this Agreement, CIT and Areal shall take all steps reasonably necessary to mark the Judgment satisfied in full, and in anticipation of such satisfaction, upon execution of this Agreement, CIT and Areal shall deliver to Fidelity National Title Group a duly executed Praecipe and Satisfaction of Judgment, to be held in escrow pending notification from CIT and Areal that the required Settlement Amount has been received, and the aforementioned conditions are satisfied

8. The County, the Receiver and Assured Guaranty each represent that as of the date of this Agreement, each of them believes in good faith that at the time that the closing and distribution of funds of both the Incinerator Transaction and the Parking Transaction, there will be sufficient funds available from the closings of the Incinerator Transaction, the Parking Transaction, or from other available sources, to pay the claims of creditors (including the Settlement Amount to CIT and Areal) as provided in the City Recovery Plan. However, it is possible that due to changes in the prevailing interest rates and other factors, at the time scheduled for the closing of the transactions there may not be sufficient funds to make payments to creditors and the transactions may not close or be consummated. The potential that the Incinerator Transaction and the Parking Transaction will not close or be consummated, or along with agreed-upon contributions from certain creditors provide sufficient funds to pay all creditors is discussed fully in the City Recovery Plan, which discussion is incorporated by reference as though fully set forth herein.

9. Unless extended in writing by the Parties, this Agreement shall terminate on the earlier of (i) the failure of the Receiver to file this Agreement with the Commonwealth Court as required by the Court's confirmation order within five (5) days of the execution of this Agreement, (ii) the filing of bankruptcy by the City prior to payment of the Settlement Amount, or (iii) the failure to pay the Settlement Amount to CIT and Areal by March 1, 2014. Upon termination, except as modified by paragraph 3 hereof, the Parties shall have all claims and defenses as if this Agreement had not been executed.

10. This Agreement may be executed in counterparts, all of which shall constitute one agreement binding on all Parties in accordance with its terms.

11. This Agreement and all matters arising out of or relating to this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

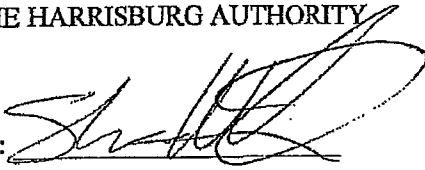
12. Should any provision of this Agreement require interpretation, no party shall be considered the drafter of this Agreement, nor of any provision contained herein, for the purpose of any statute, case law, or rule of interpretation or construction, that would, or might cause, any provision to be construed or interpreted as against the drafter. The Parties acknowledge and agree that this Agreement is voluntarily entered into by the Parties as a result of arm's length negotiations and that the Parties were represented by competent counsel in deciding to enter into this Agreement.

[Signatures on the next page]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above.

THE HARRISBURG AUTHORITY

COUNTY OF DAUPHIN, PENNSYLVANIA

By: 
Name: Shannon G. Williams
Title: Executive Director

By: _____
Name:
Title:

CIT CAPITAL USA INC.

WILLIAM LYNCH, RECEIVER FOR
THE CITY OF HARRISBURG, PA

By: _____
Name:
Title:

AIREAL TECHNOLOGIES OF
HARRISBURG, LLC

ASSURED GUARANTY MUNICIPAL
CORP.

By: _____
Name:
Title:

By: _____
Name:
Title:

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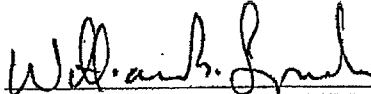
THE HARRISBURG AUTHORITY

COUNTY OF DAUPHIN, PENNSYLVANIA.

By: _____
Name:
Title:

By: _____
Name:
Title:

CIT CAPITAL USA INC.


WILLIAM LYNCH, RECEIVER FOR
THE CITY OF HARRISBURG, PA

By: _____
Name:
Title:

AIREAL TECHNOLOGIES OF
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Name:
Title:

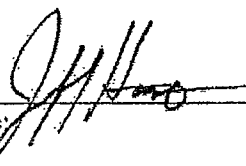
By: _____
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THE HARRISBURG AUTHORITY

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By: _____
Name:
Title:

By:  _____
Name:
Title:

CIT CAPITAL USA, INC.

WILLIAM LYNCH, RECEIVER FOR
THE CITY OF HARRISBURG, PA

By: _____
Name:
Title:

AIREAL TECHNOLOGIES OF
HARRISBURG, LLC

ASSURED GUARANTY MUNICIPAL
CORP.

By: _____
Name:
Title:

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Name:
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THE HARRISBURG AUTHORITY

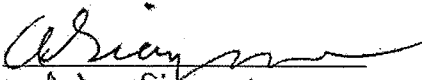
COUNTY OF DAUPHIN, PENNSYLVANIA

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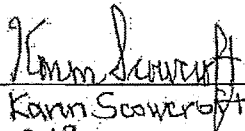
CIT CAPITAL USA INC.

WILLIAM LYNCH, RECEIVER FOR
THE CITY OF HARRISBURG, PA

By: 
Name: Andrew G. Inggrave
Title: Managing Director

AIREAL TECHNOLOGIES OF
HARRISBURG, LLC

ASSURED GUARANTY MUNICIPAL
CORP.

By: 
Name: Karin Scowcroft
Title: SVP

By: _____
Name:
Title:

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above.

THE HARRISBURG AUTHORITY

COUNTY OF DAUPHIN, PENNSYLVANIA

By: _____
Name:
Title:

By: _____
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Title:

CIT CAPITAL USA INC.

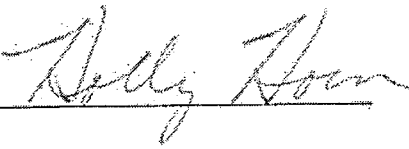
WILLIAM LYNCH, RECEIVER FOR
THE CITY OF HARRISBURG, PA

By: _____
Name:
Title:

AIREAL TECHNOLOGIES OF
HARRISBURG, LLC

ASSURED GUARANTY MUNICIPAL
CORP.

By: _____
Name:
Title:

By: 
Name:
Title:

HOLLY HORN
CHIEF SURVEILLANCE OFFICER
PUBLIC FINANCE

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the “Agreement” or “Settlement Agreement”) is made this 19th day of December, 2013 by and among the County of Dauphin (the “County”), Assured Guaranty Municipal Corp. (“Assured Guaranty” or “AGM”), the City of Harrisburg (the “City”), The Harrisburg Authority (“THA”), and Major General William Lynch, solely in his capacity as Receiver for the City of Harrisburg (including any predecessor or successor thereof, the “Receiver”) on behalf of the City of Harrisburg (collectively, the “Parties”).

WHEREAS, THA has issued the following bonds and notes and entered into the following bond and note transactions (collectively, the “Authority Bonds and Notes”) relating to a mass burn solid waste disposal, resource recovery, steam generation and related facilities purchased from the City (the “Harrisburg Resource Recovery Facility” or “HRRF”):

(a) Guaranteed Resource Recovery Facility Refunding Revenue Bonds, Series A of 1998, Guaranteed Resource Recovery Facility Refunding Revenue Bonds, Series B of 1998, Guaranteed Resource Recovery Facility Refunding Revenue Bonds, Series C of 1998, and Guaranteed Federally Taxable Resource Recovery Facility Refunding Revenue Bonds, Series D of 1998 in the initial aggregate amount of \$55,765,000 (collectively, the “1998 Bonds”);

(b) Guaranteed Federally Taxable Resource Recovery Facility Subordinate Variable Rate Revenue Notes, Series A of 2002 in the initial amount of \$17,000,000 (the “2002 Notes”);

(c) Guaranteed Federally Taxable Resource Recovery Facility Subordinate Revenue and Refunding Revenue Bonds, Series A of 2003, in the initial amount of \$22,555,000 (the "2003A Bonds"), Guaranteed Federally Taxable Resource Recovery Facility Subordinate Variable Rate Refunding Revenue Notes, Series B of 2003 in the initial amount of \$29,085,000 (the "2003B Notes"), and Guaranteed Resource Recovery Facility Subordinate Refunding Revenue Notes, Series C of 2003 in the initial amount of \$24,285,000 (the "2003C Notes") (the 2003A Bonds, 2003B Notes and 2003C Notes, collectively, the "2003 Notes"); and

(d) Guaranteed Resource Recovery Facility Revenue Bonds, Series D of 2003 (the "2003D Bonds"), Guaranteed Federally Taxable Resource Recovery Facility Revenue Bonds, Series E of 2003 (the "2003E Bonds") and Guaranteed Federally Taxable Resource Recovery Facility Revenue Bonds, Series F of 2003 (the "2003F Bonds") in the initial aggregate amount of \$125,000,000 (the 2003D, 2003E and 2003F Bonds, collectively, the "Retrofit Bonds"); and

WHEREAS, THA has also entered into a certain ISDA master agreement, including schedules and confirmations thereto, related to the 2003D Bonds (collectively, the "Swap Documents"); and

WHEREAS, THA also issued the Guaranteed Resource Recovery Facility Limited Obligation Notes, Series C of 2007 with a maturity value of \$23,920,000 and Guaranteed Resource Recovery Facility Limited Obligation Notes, Series D of 2007 with a maturity value of \$10,765,000 (collectively, the "2007 Notes"); and

WHEREAS, the City guaranteed THA's obligations under the Authority Bonds and Notes; the Swap Documents and the 2007 Notes; and

WHEREAS, the County issued secondary guarantees behind those of the City for the 2003D and 2003E Bonds, the Swap Documents, and 2007 Notes; and

WHEREAS, Assured Guaranty guaranteed payments of principal and interest to the holders of the Authority Bonds and Notes, as well as certain payments to the swap counterparties under the Swap Documents issued or undertaken by THA; and

WHEREAS, THA has defaulted on its obligations on the Authority Bonds and Notes, the Swap Documents and the 2007 Notes; and

WHEREAS, the City has defaulted on its obligations under its guarantees of the Authority Bonds and Notes, the Swap Documents and the 2007 Notes; and

WHEREAS, the County has made guaranty payments of \$34,685,000 on the 2007 Notes and \$21,557,683 relating to the 2003D and 2003E Bonds and the Swap Documents; and

WHEREAS, Assured Guaranty has made payments of \$20,220,021.11 under its bond insurance policies for the Authority Bonds and Notes; and

WHEREAS, Assured Guaranty and the Trustees of the Authority Bonds and Notes brought suit against THA and the City, captioned "TD Bank National Association et al. v. The Harrisburg Authority, et al., No 2010 CV 11737 (Ct. Com. Pl. Dauphin Cty.)", to recover the payments made by Assured Guaranty under its bond insurance policies (the "Assured Guaranty Litigation"), which is now on appeal before the Commonwealth Court of Pennsylvania at 556 C.D 2013; and

WHEREAS, the County, the Trustees of the Retrofit Bonds and the Trustees of the 2007 Notes brought suits against THA and the City, captioned "The County of Dauphin and Joseph and Jacalyn Lahr v. The Harrisburg Authority, et al., No. 2009 CV 9271 (Ct. Com. Pl. Dauphin Cty)" and "TD Bank National Association et al. v. Paul P. Wambach, et al., No 2010 CV 11738

(Ct. Com. Pl. Dauphin Cty)”, The County of Dauphin and Joseph and Jacalyn Lahr v. City of Harrisburg, et al., No. 2009-CV-14921-EQ (Ct. Com. Pl. Dauphin Cty.); The County of Dauphin v. The Harrisburg Authority, et al., No. 2010-CV-14071 (Ct. Com. Pl. Dauphin Cty.); and The County of Dauphin v. The Harrisburg Authority, et al., No. 2011-CV-1618 (Ct. Com. Pl. Dauphin Cty.) (collectively the “County Litigation”), to recover amounts paid by the County under its guarantees of the Retrofit Bonds and 2007 Note debt service payments or to assert other remedies;

WHEREAS, other creditors, Covanta Harrisburg LLC and CIT Capital USA Inc. have also brought suit against THA and/or the City seeking to recover over \$50 million dollars in funds provided to THA for the HRRF;

WHEREAS, CIT Capital USA Inc. has obtained a judgment from the United States District Court for the Middle District of Pennsylvania against THA in excess of \$19.0 million that prohibits revenues of the HRRF to be used to pay debt service, including the Authority Bonds and Notes, until the judgment is paid in full;

WHEREAS, the City has been placed under receivership pursuant to 53 P.S. §11701.703, and the Receiver wishes to resolve all claims to facilitate a comprehensive settlement with the City’s creditors; and

WHEREAS, Assured Guaranty and the County, as major creditors of the City, have agreed in principle with the Receiver on terms for a comprehensive settlement; and

WHEREAS, the Receiver, THA, Assured Guaranty, and the County have agreed to the sale by THA of the HRRF to the Lancaster County Solid Waste Management Authority (“LCSWMA”) pursuant to the terms and conditions of an Asset Purchase Agreement dated as of September 17, 2013 (the “HRRF Transaction”); and

WHEREAS, the Receiver, the Harrisburg Parking Authority (“HPA”), Assured Guaranty, the County, the City and the Pennsylvania Economic Development Financing Authority (“PEDFA”) have negotiated the terms and conditions of the sale by the HPA of certain parking garages and lots to PEDFA and the transfer by the City to PEDFA of on-street metered parking spaces, and the related delegation of rate-setting authority, and the Receiver, the City and the Pennsylvania Department of General Services (“DGS”) have negotiated the terms and conditions of the delegation of certain on-street parking enforcement (collectively, the “Parking Transaction”); and

WHEREAS, on August 26, 2013 the Receiver filed with the Pennsylvania Commonwealth Court the Harrisburg Strong Plan pursuant to 53 P.S. §11701.701, *et seq.* (the “Plan”); and

WHEREAS, the Commonwealth Court by Order dated September 23, 2013, confirmed the Plan, and said Order was not appealed and is now a final order, and;

WHEREAS, the Parties wish to settle and resolve the claims of the City, THA, Assured Guaranty and the County as set forth herein as part of the comprehensive settlement and resolution of the financial distress of the City and to avoid the potential for any delay or interruption of the distribution of funds from a closing of the Parking Transaction and the HRRF Transaction;

NOW, THEREFORE, the Parties signatory hereto, intending to be legally bound, and for other good and valuable consideration, agree, as follows:

1. The effectiveness of this Agreement is contingent upon: the closing of both the HRRF Transaction and the Parking Transaction, and the distribution of net proceeds relating to such

transactions to creditors in amounts at least equal to the amounts set forth below in Sections 2 and 5; and as to the City as set forth in section 5(c).

2. Funds available from the HRRF Transaction and the Parking Transaction coupled with other funds available at THA and HPA shall provide in the aggregate at least \$210 million in proceeds to pay creditors, as set forth in Part 6 of the Plan. If it is determined that the net proceeds, as defined in the Plan, will not yield at least \$210 million, then Assured Guaranty and the County shall have the right to terminate this Settlement Agreement without further obligation.

3. PEDFA, as owner of the parking assets transferred to it under the Parking Transaction, will enter into a 30-year lease with the Commonwealth of Pennsylvania (the "Commonwealth Parking Lease") for an agreed upon number of parking spaces. Rates and rate increases for those parking spaces will be determined in accordance with the terms of the Commonwealth Parking Lease.

4. The settlement and closing of the Parking Transaction and the HRRF Transaction shall occur as of the same date.

5. The proceeds of the sale of the HRRF Transaction and the sale pursuant to the Parking Transaction, together with additional amounts released from THA accounts related to the HRRF and from HPA accounts related to the parking system transferred pursuant to the Parking Transaction, along with additional cash contributions made by Assured Guaranty shall be used for the following purposes:

- a. Defeasement of the outstanding bond principal on all the Authority Bonds and Notes (amount to be clarified before closing) and all amounts, if any, secured by the Indentures, including all trustee fees and expenses and the obligations owed in

connection with the termination of the existing Swap Documents. All Authority Bonds and Notes and all Swap Documents shall be paid in full and discharged and satisfied under the related bond and swap documents;

- b. Pay or defease the outstanding bond indebtedness relating to the assets transferred as part of the Parking Transaction with a gross funding requirement in the approximate amount of \$99.371 million (including the Series K notes payable to the City of York);
- c. Distribute to the City or the Receiver the aggregate sum of \$35,866,667 to cover necessary expenses and obligations during the years 2014-2018 and fund certain initiatives as described in Part Five of the Plan (“City Payment”);
- d. Pay to or for the benefit of the County:
 - 1. \$34,685,000 to reimburse it for payment of the 2007 Notes;
 - 2. \$1,557,000.00, as set forth in and subject to the terms and conditions of the separate agreement between Assured Guaranty and the County dated December 19, 2013;
 - 3. \$7,100,000, less \$70,800 for payment of the default interest due on the D-1 and D-2 bonds, as set forth in and subject to the terms and conditions of the separate agreement between Assured Guaranty and the County dated December 19, 2013.
 - 4. Payment of \$16,400 to the County in reimbursement of consulting reports;
- e. Payment to Creditors pursuant to Part VI, C(2)(a-c) of the Plan (upon execution of settlement agreements and approval by the Commonwealth Court):
 - i. Pay to CIT Capital USA Inc. \$21.5 million;
 - ii. Pay to Covanta Harrisburg \$9.5 million;

- iii. Pay to JEM \$400,000; and
- iv. Pay to certain other contractors under paragraph 16 of this Agreement amounts due under executed settlement agreements.
- v. Payment of \$133,170.40 to the Pennsylvania Infrastructure Investment Authority (“PENNVEST”).

6. Part Five G of the Plan

- a. Part Five G(1) of the Plan provided that upon the Plan’s consummation, \$16 Million (\$16,000,000) of the \$35,866,667 to be distributed to the City or Receiver as referenced in Section 5(c) of this Settlement Agreement, shall be distributed to the Receiver and deposited into a Receiver-maintained City of Harrisburg account pending the creation of the three entities to be formed in conformity to Part Seven of the Plan (the “Part Seven Entities”). Upon formation of the Part Seven Entities, the contributions to each entity shall be made in conformity to the amounts set forth in the Plan. Nothing in this Settlement Agreement is intended to modify the provisions in Part Five G(1) or Part Seven of the Plan except as expressly set forth herein.
- b. Part Five G(2) of the Plan had contemplated the possibility that at some point as early as between the Plan’s filing and through 2017, the General Assembly might enact legislation relating to the allocation of a portion of a fuel-tax receipts received by the Commonwealth to fund the needs of cities experiencing financial challenges and through which the City could receive an allocation of up to \$2 million per year from such a fuel- tax fund. Part 5 G(2) described a framework for how such fuel- tax receipts would be addressed. In the event that no such funding were

forthcoming from the Commonwealth or some funding less than \$2 million per year were to be forthcoming, the Plan called for an agreement between Assured Guaranty, the County and the Receiver to provide assurance that the Part Seven Entities would at least receive the benefit of \$6,666,666 in the aggregate for funding the three entities to be formed under Part Seven of the Plan. Pending a determination of whether such Commonwealth funding were to occur in any of the years 2014-2018, the \$6,666,666 would be held in a trustee-maintained escrow, in a form acceptable to Assured Guaranty, the County and the Receiver, and released to the City or to the creditors in the manner provided by the agreement reached to carry out the Plan. If the City received all of the possible \$10 million fuel-tax receipts over five years, the agreement in conformance with the Plan would release the \$6,666,666 held by the trustee to Assured Guaranty and Dauphin County pursuant to the terms of the agreement. The agreement in conformance with the Plan would also address circumstances by which only a portion of the \$2 Million per year is distributed to the City and the formula for how much of the escrowed funds in such circumstances would be released to the creditors from the trustee-maintained account. All of the provisions set forth in Part Five G(2) relating to the creation of a trustee-maintained escrow of the \$6,666,666 as described above remain in effect and are not modified by the terms of this Settlement Agreement and the amount of \$6,666,666 is encompassed within the \$35,866,667 to be distributed to the City upon closing of the Parking Transaction pursuant to this Agreement. Pending the creation of the trust, the Receiver shall maintain a separately created City account, and upon formation of such trust, said amount shall

be deposited into a City maintained account controlled by the trustee and to be administered by the trustee pursuant to the terms of the trust agreement.

- c. It is acknowledged by the Parties that the contemplated legislation referenced in the Plan was not enacted; however, in lieu thereof, a commitment to the City has been made by the Commonwealth Department of Transportation (“DOT”) by letter dated December 16, 2013, to provide \$2 million per year to the City of Harrisburg per year commencing in 2014 and continuing for five (5) years through 2018. The commitment to provide \$2 million per year is anticipated to be entirely or primarily provided by DOT “in kind”. If any portion of the commitment is made in cash, it shall be treated as in the manner set forth in the Plan. However, the DOT is likely to allocate \$2 million per year commencing in 2014 through “in kind” payments. More specifically, it is anticipated that the DOT will, at the City’s direction, make its allocation annually by agreeing to pay for roads, bridge and other types of City infrastructure projects, as the City may request and direct, that are within the scope of projects that are to be performed by or under contracts supervised by DOT. The City and DOT will reach agreement on the amount or value of such contracts to best determine the amount in any year of the “in kind” payment that is entitled to be treated by the trustee as the equivalent of cash for purposes of distribution of the trustee maintained funds. Upon receipt of a written agreement as to the value of such “in kind” payment to be provided, the trustee will release the appropriate amount to creditors as if the payment received had been made in cash as of the date of the written agreement provided to the trustee. If in any year the DOT agrees that the services to be provided in that year have a value of \$2.0 million, then Assured

Guaranty will receive collectively \$1,333,333.33, allocated between the County and Assured Guaranty as set forth in the agreement dated December 19, 2013 between Assured Guaranty and the County. If the value of the services to be provided in any year are less than \$2.0 million, then upon receipt of written agreement between the City and the DOT, AGM and the County shall receive an amount equal to the product of (a) \$1,333,333.33 and (b) the agreed value of the services to be provided by the DOT divided by \$2.0 million, and the City shall be distributed the remainder of the \$1,333,333.33. If no services are provided in a given calendar year, then the City shall receive \$1,333,333.33. On December 1 of each year in which pursuant to this paragraph 6 Assured Guaranty and the County receive no distribution or a distribution from the escrow in the aggregate of less than \$1,333,333.33 then the City shall provide to Assured Guaranty and the County a written certification relating to the following items: (i) the amount of services, property or contracts provided (or anticipated to be provided) by DOT to the City in the current calendar year (the "Annual Payment"); (ii) the amount of "in kind" payments determined by the City and DOT to qualify for treatment as equivalent for cash in that calendar year for purposes of the release of monies to Assured Guaranty and/or the County from the escrow trust account (the "Cash Equivalent Payment") in the current calendar year; and (iii) if the Annual Payment exceeds the Cash Equivalent Payment, the certification shall provide an explanation and reconciliation of such amounts. If Assured Guaranty or the County dispute the agreed-upon valuation of the services, they may seek review of the propriety of the valuation pursuant to section 26 hereof.

- d. Because proceeds from DOT are to be utilized to perform infrastructure work in the City, and because one of the three entities established under Part Seven of the Plan was to devote sums allocated to it to also to be utilized to undertake infrastructure work in the City, it is possible that the City of Harrisburg will wish to reallocate a portion of amounts to be allocated to the Plan section IIC, as that entity is denominated in the Plan, to either or both the Strong EDC or the Harrisburg OPEB Trust, as those entities are defined in the Plan. AGM and Dauphin County have no objection to such a reallocation in a manner that the Receiver and City shall determine to be appropriate under the circumstances or the decision by the Receiver and the City to take any action with regard to the Plan that they determine to be appropriate.
- e. As set forth in and subject to the terms and conditions of the separate agreement between Assured Guaranty and the County dated December 19, 2013, AGM and Dauphin County have agreed (i) to their respective contributions to the escrow fund; and (2) to a formula for how proceeds from the trustee from time to time are to be distributed between them, and the trustee will make such distributions to them in the manner that they mutually shall direct in writing to the trustee.
- f. The Receiver anticipates filing a Plan amendment reflecting the matters hereinabove described.

7. Apart from the payments to be made by PEDFA to the City and to the HPA from the operations of the parking facilities comprehended by the Parking Transaction, as those payments are more fully described in the Plan in Part Four, D 4 (d) (i) and (ii) and as further referenced in Part Five, C 2 and 3 of the Plan, there are projected to be additional residual cash flows

generated by the Parking operations, which residual cash flows are also referenced in the Plan in Part Four, D 4 D (iii), denominated therein as Future Parking Operation Net Proceeds. Consistent with Part Five, H. of the Plan, 75% of such Future Parking Operations Net Proceeds will be allocated to payments on the Assured Guaranty Note (described below in this paragraph) and on the County Note (described below in this paragraph) collectively, and 25 % of said Future Parking Operation Cash Flows will be allocated to payments to the City Notes (described below in this paragraph) until such time as Assured Guaranty Note and the County Note shall have been paid in full. Thereafter, all Future Parking Operation Net Proceeds will be allocated to payment on the City Notes. PEDFA will issue to the HPA four surplus revenue notes in accordance with the terms of the Indenture for the PEDFA Bonds. One of said notes will be in the principal amount of \$77,000,000 (the "Assured Guaranty Note") and the City shall direct HPA to assign and transfer the Assured Guaranty Note to Assured Guaranty. One of said notes will be in the principal amount of \$20,000,000 (the "County Note") and the City shall direct HPA to assign and transfer the County Note to the County. Two of said notes, one in the principal amount of \$100,000,000 and one in the principal amount of \$100,000 (collectively the "City Notes") will be assigned by the HPA to the City. The surplus revenue notes issued by PEDFA will not bear interest, will be subordinate in payment and rights to the PEDFA Bonds, and by their terms are to be paid to the respective holder solely from Future Parking Operations Net Proceeds as such Proceeds shall become available in accordance with the terms of the Indenture for the PEDFA bonds. Such allocation of Future Parking Operation Net Proceeds shall continue until such time as the Assured Guaranty Note and County Notes are paid in full. Allocations of Future Parking Operation Net Proceeds that are to be made either to Assured Guaranty or to the County shall be

paid as payments on the Assured Guaranty Note and on the Dauphin County Note, respectively, in accordance with the Indenture for the PEDFA Bonds.

8. Assured Guaranty will guaranty, subject to the terms and conditions of its bond insurance commitment letter, through the issuance of a bond insurance policy up to \$116,906,140.30 in aggregate principal amount of the Series A Senior Parking Revenue Bonds issued by PEDFA. This series of bonds, secured by the parking revenues and Commonwealth Parking Lease, will have a priority of payment senior to the debt guaranteed by the County and Assured Guaranty in paragraph 10 below and will mature within thirty years.

9. The County and Assured Guaranty will further guarantee collectively up to \$170,000,000 of principal amount of the PEDFA bonds subject to the execution of the Commonwealth Parking Lease. The County will guarantee one tranche in a principal amount not to exceed \$99 million (the "County Bond Series"). The County and Assured Guaranty will combine to guaranty a second tranche in a principal amount not to exceed \$71 million (the "Assured Guaranty Bond Series"). Assured Guaranty will issue, subject to the terms and conditions of its bond insurance commitment letter, a bond insurance policy insuring the payment of the principal and interest of the second tranche and the County will issue a secondary guarantee in the same amount. Both tranches will be amortized from 2016 to 2054 and the debt service payments on the County Bond Series will be *pari passu* with the debt service payments on the Assured Guaranty Bond Series, i.e., debt service payments will be on a ratable basis so that the debt service of both series will be paid simultaneously by PEDFA, provided that certain callable bonds in the County Bond Series may be redeemed ahead of callable bonds in the Assured Guaranty Series as provided in the Indenture for the PEDFA Bonds. Assured Guaranty may also provide surety policies in lieu of a cash deposit for the debt service reserve fund (DSRF) for the Series A Senior Parking Revenue

Bonds , the County Bond Series and the Assured Guaranty Bond Series as provided in the Indenture for the PEDFA bonds.

10. The County will guarantee the payment of \$24.0 million (\$24,000,000) in aggregate principal amount of debt due in 2034 (the "Sub Debt"), or later issued by the Lancaster County Solid Waste Management Authority ("LCSWMA"), in connection with the HRRF Transaction. Moreover, the County will be responsible for interest expense (over 1% per annum) on the Sub Debt for a period of 20 years. The Sub Debt, when due in 2034, will be paid by LCSWMA if County flow control to the HRRF is renewed for a subsequent 10-year term by mutual agreement of the County and LCSWMA. If such mutual agreement is not reached, LCSWMA has agreed to convey the HRRF to the County, free and clear of any liens or encumbrances, for \$24.0 million (\$24,000,000) which will be applied to pay the Sub Debt.

11. The County will agree to pay the cost of ash disposal from the HRRF facility, at approximately \$25 per ton, for twenty years, in connection with County trash volumes, as provided in the agreements between LCSWMA and the County reference in paragraph 12 below. The ash disposal cost is estimated to be \$2.3 million (\$2,300,000) annually.

12. The County will enter into a Delegation and Cooperation Agreement with LCSWMA providing for disposal of County municipal solid waste over a period of twenty years. The agreements provide for minimum annual payments and a tipping fee schedule, as attached to the HRRF Asset Purchase Agreement.

13. As part of the comprehensive releases of the City and THA, and for the avoidance of doubt, Assured Guaranty and the County are waiving any claims for interest accrued on claims paid to date and legal fees incurred, both of which, in the absence of this Settlement Agreement, would be recoverable from the City under the respective guarantees provided by the City. The

estimated claims waived by Assured Guaranty and the County are approximately \$18.0 million (\$18,000,000).

14. If Assured Guaranty and/or the County terminate this Agreement under paragraph 2 hereof or if any additional obligations arise prior to closing of the HRRF Transaction and/or the Parking Transaction or the existing obligations increase so as to exceed the funds provided by such transactions and the contributions provided by the County and Assured Guaranty under this Agreement, then the County, Assured Guaranty and the Receiver agree to discuss in good faith how to resolve such shortfall. However, the Parties shall be under no obligation to proceed with the HRRF Transaction and Parking Transaction under these circumstances.

15. Assured Guaranty and the County shall have the right to approve or disapprove any settlement by THA in excess of \$50,000 that could increase the amount of monies to be paid by them or reduce the amounts to be received by them under this Settlement Agreement. Assured Guaranty and the County agree that the Receiver will include the unpaid fees paid for the Forensic Audit as defined by the Plan in the cost of litigation of any claims in which the Forensic Audit was relied upon to make and establish the claim for which a recovery is negotiated. The current unpaid aggregate expense of the Forensic Audit is \$1,278,468 .

16. As set forth herein, any surplus funds or accounts receivable in the accounts of THA relating to the HRRF, or any amounts recovered by the Receiver shall be placed in an escrow account controlled by the Receiver and Assured Guaranty and, subject to the approval of Assured Guaranty, applied to pay the Authority Bonds and Notes and the other obligations listed in section 5 hereof prior to the payment of any amounts by Assured Guaranty. For the avoidance of doubt and as further set forth herein, THA shall be allowed to retain reasonable reserves to pay future costs, but those reserves must be agreed by Assured Guaranty. Except as

agreed in writing by Assured Guaranty any amounts received after closing of the HRRF by THA in respect of its ownership of the HRRF shall be promptly paid to Assured Guaranty. THA agrees to provide to Assured Guaranty, or representatives thereof, full access to their books and records and to personnel in order to determine the appropriate reserves. In the event of a dispute, the parties will attempt to resolve them in good faith, otherwise the provisions of section 26 shall apply.

- a. Contemporaneously with the closing of the HRRF Transaction, THA shall pay or cause its indenture trustee to apply all excess cash, but no less than **\$3.3 million** ("Excess Cash") to pay the Authority Bonds and Notes and the other obligations listed in Section 5 of the Agreement prior to the payment of any amounts by the County or Assured Guaranty. The amount of Excess Cash shall be agreed by THA and Assured Guaranty prior to closing. The creditors listed in Exhibit A, to the extent that they have executed settlement agreements that have been approved by the Commonwealth Court, shall be paid in accordance with paragraph 5 of this Agreement. Except as otherwise agreed in writing by Assured Guaranty and THA, any surplus funds in the accounts of THA relating to the HRRF or funds received by THA post-Closing attributable to accounts receivable relating to the HRRF, shall be retained by THA in a segregated account (the "Segregated Account") to pay future costs related to pre-closing accounts payables of the HRRF, including settlement with the creditors and counterparties listed on Exhibit A but not paid at closing. THA shall also be paid from this account \$467,000 to THA's water and sewer accounts on a schedule agreed to by THA and Assured Guaranty. Every thirty (30) days,

THA and Assured Guaranty shall meet to discuss the reasonably necessary reserve to pay any future payables relating to the assets transferred in the HRRF Transaction and the amounts to be distributed to Assured Guaranty. Except for payments in respect of Section 16 of this Agreement, any amounts received after closing of the HRRF by THA in respect of its ownership of the HRRF shall be maintained in the Segregated Account.

- b. As agreed in writing by Assured Guaranty and THA, THA may pay from the Segregated Account costs related to accounts payable of the HRRF, including settlement with the creditors and counterparties listed on Exhibit A. With respect to each of the creditors listed on Exhibit A, THA may not settle for an amount in excess of 40% of the identified claimed amount, the Authorized Settlement Amount as set forth in Exhibit A, without the consent of Assured Guaranty, which consent shall not be unreasonably withheld. With respect to each of the two counterparties, THA may not settle for an amount in excess of the amount identified on Exhibit A without the consent of Assured Guaranty, which consent shall not be unreasonably withheld. Additional legal expenses paid from the Segregated Account to negotiate and/or litigate with the creditors or counterparties on Exhibit A, shall not exceed \$15,000 without the consent of Assured Guaranty, which consent shall not be unreasonably withheld.
- c. Prior to February 28, 2014, THA shall pay to Assured Guaranty all amounts remaining in the Segregated Account less an amount THA shall be allowed to retain as reasonable reserves to pay anticipated future costs with the consent of Assured Guaranty, which consent shall not be unreasonably withheld. Except as agreed in

writing by Assured Guaranty, any amounts received after February 28, 2014 by THA in respect of its ownership of the HRRF shall be promptly paid by THA to Assured Guaranty.

17. In the event the Receiver or his successor are successful in the pursuit of claims against third parties, distributions of proceeds net of expenses of such claims shall be made to the City, Assured Guaranty and the County as described below. The allocation of distributable proceeds between Assured Guaranty and the County on the one hand, and for the benefit of the City on the other, shall be as follows:

- a) Assured Guaranty and the County shall receive 100% of any recoveries related to the Harrisburg University payment;
- b) Assured Guaranty and the County shall receive 100% of any recoveries relating to the Swap Documents up to the amount of \$4.5 Million, less legal fees and expenses, if and to the extent such recoveries occur because the swap counterparty waived or agreed to reimburse its termination payment.
- c) As relates to all other recoveries (including other claims relating to the Swap Documents or the swap counterparties) up to the first \$4.0 Million, net of legal fees and expenses, seventy-five percent (75%) of those recoveries shall be distributed for the benefit of the City and twenty-five percent (25%) of those recoveries shall be distributed collectively to Assured Guaranty and the County, with the allocation between them to be agreed by them in writing.

- d. As to recoveries in excess of \$4.0 Million, less legal fees and expenses, sixty percent (60%) of such recoveries shall be distributed for the benefit of the City, and forty percent (40%) collectively to Assured Guaranty and the County, with the allocation to be agreed by them in writing; provided, however, at such time as net distributions totaling \$15 Million have been received by Assured Guaranty and the County all future distributions of recoveries thereafter would be for the benefit of the City.
- e. As set forth in and subject to the terms and conditions of the separate agreement between Assured Guaranty and the County dated December 19, 2013, AGM and Dauphin County have agreed to a formula for how proceeds from recoveries allocated to Assured Guaranty and the County are to be distributed between them.

18. Contemporaneously with the closing and funding of both the HRRF Transaction and the Parking Transaction, the Receiver, the City and THA, on behalf of themselves, and, as applicable, their respective affiliates, predecessors-in-interests, successors-in-interest, assignors, assigns, elected and appointed officials, agents and each of their respective heirs, executors, administrators, assignors, assigns and successors-in-interest, and each and every one of them (the "Receiver/City/THA Releasing Parties") do hereby forever, fully and completely release, acquit and discharge Assured Guaranty and the County, and, as applicable, their respective predecessors-in-interests, successors-in-interest, assignors, assigns, elected and appointed officials, directors, officers, members, or employees, as well as the firms of Mette Evans and Woodside, Susquehanna Group Advisors, Inc. and Herbert Rowland and Grubic, Inc and their respective employees, partners, officers, directors, representatives, heirs, and each of their

respective heirs, executors, administrators, assigns and successors-in-interest, and each and every one of them (the "ASSURED GUARANTY/County Released Parties") of and from all, and all manner of, claims, actions, and causes of action, suits, debts, obligations, promises, expenses, bills, interest, liens, liabilities, dues, accounts, bonds, covenants, contracts, agreements, costs, judgments, claims and demands whatsoever, in law or in equity, or otherwise, whether known or unknown, accrued or unaccrued, which the Receiver/City/THA Releasing Parties ever had, now has, or can, shall or may in the future have against any one or more of the ASSURED GUARANTY/County Released Parties by reason of, arising from and/or related to the HRRF (including, without limitation, the construction, repair, maintenance and/or repair thereof prior to the date hereof), the Authority Bonds and Notes, the Swap Documents, the 2007 Notes, the City's guaranty of THA's obligations in respect to the foregoing Authority Bonds and Notes, the Swap Documents and/or the 2007 Notes, defeasance of the bonds related to the Parking System, the Assured Guaranty Litigation, and/or the County Litigation. Notwithstanding the generality of the foregoing, the release set forth in this paragraph shall expressly not apply to any rights and obligations of the ASSURED GUARANTY/County Released Parties set forth in this Agreement and/or the rights and obligations, if any, of any of the ASSURED GUARANTY/County Released Parties established by the Plan, the HRRF Transaction and/or the Parking Transaction.

19. Contemporaneously with the closing and funding of both the HRRF Transaction and the Parking Transaction, Assured Guaranty and the County and, as applicable, their respective affiliates, predecessors-in-interests, successors-in-interest, assigns, assigns, elected and appointed officials, agents and each of their respective heirs, executors, administrators, assigns, assigns and successors-in-interest, and each and every one of them (the "ASSURED

GUARANTY/County Releasing Parties”) do hereby forever, fully and completely release, acquit and discharge, the City, THA, and the Receiver and, as applicable, their respective predecessors-in-interests, successors-in-interest, assignors, assigns, elected and appointed officials, directors, officers, members, or employees, agents, advisors, consultants, professionals, representatives, servants, heirs, and each of their respective heirs, executors, administrators, assigns and successors-in-interest, and each and every one of them (the “Receiver/City/THA Released Parties”), of and from all, and all manner of, claims, actions, and causes of action, suits, debts, obligations, promises, expenses, bills, interest, liens, liabilities, dues, accounts, bonds, covenants, contracts, agreements, costs, judgments, claims and demands whatsoever, in law or in equity, or otherwise, whether known or unknown, accrued or unaccrued, which the ASSURED GUARANTY/County Releasing Parties ever had, now has, or can, shall or may in the future have against any one or more of the Receiver/City/THA Released Parties by reason of, arising from and/or related to the HRRF (including, without limitation, the construction, repair, maintenance and/or repair thereof prior to the date hereof), the Authority Bonds and Notes, including the principal, interest and costs associated therewith, the Swap Documents, the 2007 Notes, the City's guaranty of THA's obligations in respect to the foregoing Authority Bonds and Notes, the Swap Documents and/or the 2007 Notes, the Assured Guaranty Litigation, and/or the County Litigation. Notwithstanding the generality of the foregoing, the release set forth in this paragraph shall expressly not apply to any rights and obligations of the Receiver/City/THA Released Parties set forth in this Agreement and/or the rights and obligations, if any, of any of the Receiver/City/THA Released Parties established by the Plan, the HRRF Transaction and/or the Parking Transaction.

20. The Parties each warrant that they have not assigned, transferred, conveyed or otherwise disposed of any claim, demand, cause of action, obligation or liability set forth in this Agreement; and except for the holders of those Authority Bonds and Notes who are to have all bond or note obligations owed to them satisfied in full upon the closing of both the HRRF Transaction and the Parking Transaction, no other persons or entities hold any right, title, or interest in or to any claim, demand, cause of action, or other obligation or liability released pursuant to this Agreement.

21. Upon the effectuation of the releases set forth in paragraphs 18 and 19 hereof, Assured Guaranty and the County shall take all steps reasonably necessary to withdraw, with prejudice, any and all litigation against the City and THA relating to the HRRF, including but not limited to TD Bank National Association et al. v. The Harrisburg Authority, et al., No 2010 CV 11737 (Ct. Com. Pl. Dauphin Cty.), TD Bank National Association et al. v. Paul P. Wambach, et al., No 2010 CV 11738 (Ct. Com. Pl. Dauphin Cty.); The County of Dauphin and Joseph and Jacalyn Lahr v. The Harrisburg Authority, et al., No. 2009 CV 9271 (Ct. Com. Pl. Dauphin Cty.); The County of Dauphin and Joseph and Jacalyn Lahr v. City of Harrisburg, et al., No. 2009-CV-14921-EQ (Ct. Com. Pl. Dauphin Cty.); The County of Dauphin v. The Harrisburg Authority, et al., No. 2010-CV-14071 (Ct. Com. Pl. Dauphin Cty.); and The County of Dauphin v. The Harrisburg Authority, et al., No. 2011-CV-1618 (Ct. Com. Pl. Dauphin Cty.); and the County hereby covenants and agrees that it will cause Joseph and Jacalyn Lahr, in the matters in which they are party Plaintiffs, to withdraw with prejudice their claims in such matters.

22. Upon the effectuation of the releases set forth in paragraphs 18 and 19 hereof, THA shall withdraw its appeal in the Commonwealth Court of Pennsylvania, captioned "TD Bank, N.A. v. The Harrisburg Authority, et al., No. 556 C.D. 2012" with prejudice.

23. Unless extended in writing by the Parties hereto, this Agreement shall terminate on the earlier of (i) the filing of bankruptcy by the City prior to the effectuation of the releases set forth in paragraphs 18 and 19 of this Agreement, or (ii) the failure to effectuate the releases set forth in paragraphs 18 and 19 of this Agreement by March 1, 2014. Upon termination of the Agreement pursuant to this paragraph 23, the Parties shall have all claims and defenses as if this Agreement had not been executed.

24. Each of the Parties hereto shall provide an opinion of counsel that this Agreement has been duly authorized, executed and delivered and is a legal, valid and binding obligation, enforceable in accordance its terms.

25. This Settlement Agreement may be signed in counterparts, all of which shall constitute one agreement binding on all Parties, and the signature pages from any counterpart may be appended to any other counterpart to assemble fully-executed counterparts. Counterparts of this Agreement also may be exchanged via electronic transmission and any signature so transmitted shall be deemed to be an original signature for all purposes.

26. This Agreement and all matters arising out of, or relating to, this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania. Any disputes regarding this Agreement shall be subject to the exclusive jurisdiction of the Commonwealth Court of Pennsylvania

27. No provision in this Agreement may be amended or modified, except by an agreement in writing signed by the Parties hereto or their respective successors-in-interest.

28. Should any provision of this Agreement require interpretation, the parties to this Agreement agree that the judicial body interpreting or construing such provision shall not apply any assumption that the terms of this Agreement shall be more strictly construed against any party because of the rule of construction that an instrument is to be construed more strictly against the drafting party, each party hereby acknowledging and agreeing that all parties to this Agreement and, as they each deemed necessary and appropriate, their respective attorneys have participated in the preparation of this Agreement.

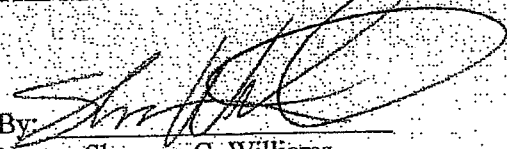
29. Except as set forth herein, this Agreement constitutes the entire agreement between the Parties hereto relating to the subject matter hereof.

30. Subject to any provision to the contrary contained in this Agreement, this Agreement shall be binding upon the Parties hereto and any other person or entity for which any interests are released hereby and shall inure to the benefit of the Parties and any other person or entity provided a release hereby.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have voluntarily set their hands and seals by their authorized representatives as of the date written above.

THE HARRISBURG AUTHORITY

THE COUNTY OF DAUPHIN, PENNSYLVANIA

By: 
Name: Shannon G. Williams
Title: Executive Director

By: _____
Name: _____
Title: _____

WILLIAM B. LYNCH,
SOLELY IN HIS CAPACITY
AS RECEIVER FOR
THE CITY OF HARRISBURG

ASSURED GUARANTY MUNICIPAL CORP.

By: _____
Name: Gen. William B. Lynch (Ret.)
Title: Receiver of the City of Harrisburg

By: _____
Name: _____
Title: _____

THE CITY OF HARRISBURG

by: _____
Name: General William B. Lynch (Ret.)
Title: Receiver of the City of Harrisburg

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Title:

By: _____
Name:
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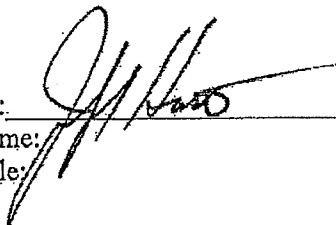
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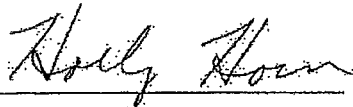
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SOLELY IN HIS CAPACITY
AS RECEIVER FOR
THE CITY OF HARRISBURG

ASSURED GUARANTY MUNICIPAL CORP.

By: _____
Name: Gen. William B. Lynch (Ret.)
Title: Receiver of the City of Harrisburg

By: 
Name:
Title:

HOLLY HORN
CHIEF SURVEILLANCE OFFICER
PUBLIC FINANCE

THE CITY OF HARRISBURG

by: _____
Name: General William B. Lynch (Ret.)
Title: Receiver of the City of Harrisburg

As of December 19, 2013

**EXHIBIT A
TO SETTLEMENT**

Settlements with Vendors

<u>Vendor</u>	<u>Amount of Claim</u>	<u>Authorized Settlement Amount</u>	<u>Status</u>
Innovative Engineering	\$48,665.67	\$19,466.27	Pending
Jordan Contracting	\$48,764.09	\$19,506.00	Executed Settlement Agreement
DM Coatings	\$142,270.75	\$56,908.00	Pending
D&S Contractors	\$41,824.94	\$16,730.00	Pending
SSM Industries	\$39,882.45	\$15,952.98	Pending
Rogele	\$105,059.80	\$42,024.00	Executed Settlement Agreement
Castine Energy Construction	\$211,143.25	\$84,457.30	Pending
Greiner Industries	\$23,946.97	\$9,578.79	Executed Settlement Agreement
Midwestco Filter Resource	\$4,999.00	\$2000.00	Pending
C. G. Powertech	\$35,117.03	\$14,046.80	Pending
Paragon Industries & Supply	\$123,580.03	\$49,432.12	Executed Settlement Agreement
Goodman Hewitt	\$206.12		Pending
MSC Industrial Supply	\$59,668.07	\$23,867.23	Executed Settlement Agreement
<u>Bradley Sciocchetti</u>	<u>\$1,960.00</u>	\$784.00	Executed Settlement Agreement
TOTAL	\$887,088.17		

Settlements with Counterparties to Investment Agreements

Bank of America

Legacy Asset Management
Company, a subsidiary of
Lehman Brothers Holdings,

Settled for \$280,000