

## SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (this "Agreement") is dated as of this \_\_\_\_ day of November, 2013 and is by and among UMB BANK, N.A. ("UMB"), THE HARRISBURG UNIVERSITY OF SCIENCE AND TECHNOLOGY ("HU"), HARRISBURG PARKING AUTHORITY ("HPA") and FOURTH STREET CONDOMINIUM ASSOCIATION (the "Association"), with the joinder of with Land Services USA, Inc., agent for First American Title Insurance Company ("Escrow Agent").

### BACKGROUND

A. HU is the owner in fee simple of certain tracts or parcels of real property (the "Land") situate at the corner of Fourth Street and Market Street in the City of Harrisburg, Dauphin County, Pennsylvania, as evidenced by a deed dated April 27, 2005, and recorded in the Dauphin County Recorder of Deeds Office (the "Recording Office") in Record Book 5972, Page 573, and by the vacation of former Strawberry Street by Harrisburg City Council Ordinance No. 12, Session 2006.

B. The Land is improved with a multi-floor building and related improvements (the "Building" and together with the Land, the "Property"), and the Building, in part, contains several floors designated as parking facilities.

C. HPA and HU entered into an Agreement of Sale and Purchase dated January \_\_\_\_, 2007 (the "Purchase Agreement"), wherein, inter alia, HU agreed to submit the Property to a condominium form of ownership and agreed to sell to HPA and HPA agreed to purchase from HU one (1) condominium unit (the "Parking Unit") consisting of seven (i) floors of parking facilities and including approximately three hundred ninety-two (392) parking spaces within the Property.

D. By Open-End Mortgage and Security Agreement dated January 1, 2007 (the "Mortgage"), and recorded in the Recording Office on January 25, 2007, as Instrument No. 20070003575, HU granted to Commerce Bank, National Association ("Commerce"), mortgage title to and lien in the Property, including the Parking Unit. The Mortgage secures HU's obligations under the 2007 Bonds (as defined in the Mortgage).

E. By Assignment of Mortgage dated October 1, 2012, and recorded in the Recording Office on November 9, 2012, as Instrument No. 20120033296, TD Bank, National Association (as successor to Commerce) assigned its interest in the Mortgage to UMB, as successor trustee under a certain Trust Indenture dated as of January 1, 2007, by and between The Harrisburg Authority (the "Harrisburg Authority") and UMB, pursuant to which the 2007 Bonds were issued (the "Indenture").

F. Provided that no Event of Default (as such term is defined in the Mortgage) has occurred and is continuing under the Mortgage, HU, as mortgagor, has the right and option under the Mortgage to obtain from UMB, as mortgagee, a release of the Parking Unit from the lien of the Mortgage under the circumstances described in the Mortgage.

G. An Event of Default (as that term is defined in the Mortgage) has occurred.

H. As of the date of this Settlement Agreement, HU has not yet recorded with the Recording Office a declaration of condominium, nor has it conveyed the Parking Unit to HPA.

I. HPA intends to enter into or has entered into an agreement whereby HPA will lease its assets, including the Parking Unit, to the Pennsylvania Economic Development Financing Authority ("PEDFA") (the "PEDFA Transaction"). HPA and PEDFA anticipate closing the PEDFA Transaction in December 2013 (the "PEDFA Closing").

J. The parties dispute the amount that HU or HPA is obligated to pay UMB under the terms of the Mortgage for UMB to release the Parking Unit from the lien and encumbrance of the Mortgage.

K. The parties desire to settle their dispute and to enter into this Agreement to facilitate HU's recording of the declaration of condominium and conveyance of the Parking Unit to HPA free and clear of the lien and encumbrance of the Mortgage.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and intending to be legally bound, the parties agree as follows:

1. Payment by HPA to UMB, Accord and Satisfaction. From the proceeds which HPA will receive at the PEDFA Closing, HPA shall pay to UMB the sum of Three Million Six Hundred Thousand Dollars (\$3,600,000) (the "Payment"). HPA's agreement to pay and UMB's agreement to accept the Payment constitutes an accord under applicable law. The Payment, when made by HPA, will constitute full satisfaction of the accord under applicable law.

2. Application of Payment. UMB agrees to deposit the Payment in the Series B Bonds Debt Service Fund, as created and existing under the Indenture, acknowledging that the Payment constitutes the "Loan Payment" as due to the Trustee under and pursuant to the provisions of Section 4.2 of the Loan Agreement dated as of January 1, 2007 by and between the Harrisburg Authority and HU (the "Loan Agreement"). Further, the Payment shall be applied toward the September 1, 2012 and September 1, 2013 payments due under the Loan Agreement and the Indenture. Upon deposit of the Payment in the Series B Bonds Debt Service Fund, UMB agrees that the Event of Default arising under the June 4, 2013 Notice of Default as well as the Event of Default arising under the August 3, 2012 Notice of Default are cured (the "Defaults"), and HU shall, without further act, be remised, released and forever discharged from all claims arising from and under the Defaults. UMB further agrees that as a result of the cure of the Defaults, no Event of Default exists or is continuing under the Mortgage or the Indenture.

3. Release. Upon UMB's receipt of the Payment, HPA and HU shall without further act be remised, released and forever discharged from all claims of UMB for payment that UMB may have, may have had or may claim in the future to have with respect to its release of the Parking Unit from the lien and encumbrance of the Mortgage. UMB acknowledges and agrees that the release of the Parking Unit from the lien of the Mortgage is being undertaken in compliance with the provisions of paragraph 35 of the Mortgage. UMB further acknowledges that HU shall have no liability in connection with the release by UMB of the Parking Unit from the lien of the Mortgage.

4. Modification to Mortgage, Consent and Release. UMB, HU, HPA and the Association shall execute and deliver a Mortgage Modification, Consent and Release in the form attached hereto as Exhibit A (the "Mortgage Modification"), and deposit same with Escrow Agent. Upon making the Payment to UMB, Escrow Agent shall record the Mortgage Modification. If Escrow Agent does not make the payment to UMB on or before December 31, 2013, then Escrow Agent shall return the Mortgage Modification to UMB.

5. UCC Financing Statement Amendments. Upon making the Payment, Escrow Agent shall file and record UCC Financing Statement Amendments (Form UCC3) with the Recording Office and the Pennsylvania Department of State in the forms attached hereto as Exhibit B-1 and B-2.

6. Disputed Claim. It is expressly agreed, intended and understood that this Agreement is a complete, full and final compromise and settlement of any and all claims for payment that UMB may have, may have had or may claim in the future to have with respect to its release of the Parking Unit from the lien and encumbrance of the Mortgage. Without limiting generality of the foregoing, it is understood and agreed that the consideration paid hereunder and referred to herein and the mutual covenants herein are provided and received in full compromise and settlement of any and all claims for payment to release the Parking Unit from the lien and encumbrance of the Mortgage.

7. Miscellaneous Provisions.

a. This Agreement does not constitute an amendment, supplement or modification to the 2007 Bonds, or any agreement related thereto.

b. All parties agree to cooperate fully and to execute and file any and all supplementary documents and to take all additional actions which are consistent with and which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement.

c. This Agreement contains the entire agreement between the parties, and the terms of this Agreement are contractual and not a mere recital.

d. This Agreement may be executed in counterparts.

e. This Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania without reference to principles of conflicts of law. The parties agree that venue shall reside in the Court of Common Pleas of Dauphin County, Pennsylvania, or the United States District Court for the Middle District of Pennsylvania if it has jurisdiction, for the resolution of any disputes arising out of or in any way relating to this Agreement. For purposes of any such disputes, each party hereto also irrevocably consents to be amenable to and subject to the venue and jurisdiction of such Courts.

f. In the event any dispute arises among the parties to this Agreement with regard to the interpretation of any term of this Agreement, or any other document referred to herein, the parties agree that the drafting of this Agreement, or any other instrument referred to herein, shall not be deemed that of any one party or their agent and that any rule of construction

to the effect that any ambiguities are to be resolved against the drafting party shall not be applicable. Each of the parties to this Agreement further represents that it has had a full opportunity to participate in the negotiation and drafting of this Agreement.

g. By their signatures affixed hereto, each of the parties acknowledges that it fully understands the obligations, conditions, guarantees, warranties, indemnities and terms contained herein, and has had the advice of counsel pertaining thereto, prior to the time of execution. Further, the individuals signing this Agreement state and represent that they are duly authorized to enter into this Agreement on behalf of the parties, respectively.

h. The paragraph headings are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Agreement nor in any way affect this Agreement.

i. No alteration, amendment, change or addition to this Agreement shall be binding upon the parties unless reduced to writing and signed by all of them.

j. THE PARTIES WAIVE THE RIGHT TO A JURY TRIAL AND EXPRESSLY AGREE THAT ALL LEGAL PROCEEDINGS INSTITUTED WITH RESPECT TO THIS AGREEMENT SHALL BE DETERMINED BY A JUDGE SITTING WITHOUT A JURY.

k. Time is of the essence of each and every provision of this Agreement.

IN WITNESS WHEREOF, the parties, intending to be legally bound, have executed this Agreement on the date first above written.

UMB BANK, N.A.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

THE HARRISBURG UNIVERSITY OF SCIENCE  
AND TECHNOLOGY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

HARRISBURG PARKING AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

FOURTH STREET CONDOMINIUM  
ASSOCIATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LAND SERVICES USA, INC., AGENT FOR  
FIRST AMERICAN TITLE INSURANCE  
COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Signature Page to Settlement Agreement with UMB

**EXHIBIT A**

Mortgage Modification, Consent and Release

Exhibit A to Settlement Agreement with UMB

**EXHIBIT B-1**

UCC Financing Statement Amendment (Form UCC3)  
Filed with the Dauphin County Recorder of Deeds Office

Exhibit B-1 to Settlement Agreement with UMB

**EXHIBIT B-2**

UCC Financing Statement Amendment (Form UCC3)  
Filed with the Pennsylvania Department of State

Exhibit B-2 to Settlement Agreement with UMB