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## Notice of Material Event

**The Harrisburg Authority  
(Dauphin County, Pennsylvania)  
Guaranteed Resource Recovery Facility Revenue Bonds  
\$31,480,000 Series D-1 of 2003**

Notice is hereby given by The Harrisburg Authority (the "Authority") that the City of Harrisburg (the "City") failed to perform its payment obligations under the City Bond Guaranty Agreement, dated as of December 1, 2003 (the "City Bond Guaranty Agreement"), among the Authority, the City and the Trustee, defined hereinafter, in connection with the payment of interest due on the aforementioned series of bonds (the "Series D-1 Bonds") on June 1, 2009. Such failure to perform by the City, as guarantor, resulted in a draw on the Debt Service Reserve Fund established in connection with the Series D-1 Bonds and described hereinafter. The Series D-1 Bonds were issued by the Authority pursuant to the Trust Indenture, dated as of December 1, 2003, as amended (the "Indenture") between the Authority and TD Bank, National Association (successor to Commerce Bank, National Association), as trustee (the "Trustee"). The payment of the principal of and interest on the Series D-1 Bonds when due is guaranteed by the City under the City Bond Guaranty Agreement. The CUSIP number of the Series D-1 Bonds affected by the City's failure to perform under the City Bond Guaranty Agreement is listed below:

CUSIP  
Number

41473EFH9

As of May 12, 2009, there were not sufficient funds on deposit in the 2003 D-1 Bonds Subaccount of the Retrofit Debt Service Account established within the Debt Service Fund under Section 6.02(a)(i) of the Indenture to pay the scheduled interest payment of \$1,062,450 due on the Series D-1 Bonds on June 1, 2009. The amount of \$200,982.44 was on deposit in the Retrofit Debt Service Account with respect to the Series D-1 Bonds resulting in a deficiency of \$861,467.56. Pursuant to the terms of the Indenture and the City Bond Guaranty Agreement, the Trustee notified the Authority and the City of such deficiency in the Retrofit Debt Service Account. The Indenture and the City Guaranty Agreement provide that if there are insufficient revenues available from the operation of the Authority's Resource Recovery Facility to pay debt service on the Series D-1 Bonds, then the Trustee is to draw upon the City Bond Guaranty as such term is defined in the City Bond Guaranty Agreement for the monies for debt service. The Trustee so notified the City of the deficiency of monies on deposit in the Retrofit Debt Service Account for the June 1, 2009 debt service payment. However, the City's Chief of Staff/Business Administrator notified the Trustee on May 21, 2009 that the City was not able to transfer funds for the debt service payment due on the Series D-1 Bonds on June 1, 2009. Upon the failure of the City to advance monies as required under the City Bond Guaranty Agreement, the Trustee then withdrew \$861,467.56 from the 2003D Bonds Subaccount of the Retrofit Debt Service Reserve Account of the Debt Service Reserve Fund on May 26, 2009 in accordance with the Indenture and transferred such amount to the Retrofit Debt Service Account to address the deficiency in such account for the payment of interest on the Series D-1 Bonds on June 1, 2009.

Any questions concerning the City in connection with this communication can be directed to the City:

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Robert F. Kroboth  
Chief of Staff/Business Administrator  
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Harrisburg, PA 17101  
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No representation is made as to the correctness or accuracy of the CUSIP number either as printed on the Series D-1 Bonds or as contained in this notice.

Date: July 16 , 2009

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