

EXHIBIT 2

MARK D. SCHWARTZ
Attorney at Law
Post Office Box 330
Bryn Mawr, Pennsylvania 19010-0330
www.markschwartzesq.com
Telephone & Fax- 610 525-5534 \

Wilson_scb@yahoo.com

October 11, 2011

Honorable Susan Brown Wilson, Member
Council of the City of Harrisburg
10 North Second Street
Suite 1, Lower Level
Harrisburg, PA 47101

Dear Councilperson Wilson:

Pursuant to my September 27 appointment to advise and represent the interests of Harrisburg, I am writing to you in your capacity as Finance Chair of Council, setting forth proposed terms and conditions of my representation.

First and foremost, I am honored to have been selected by Council at this difficult and unprecedented time. Since my appointment, the resources of my practice have been focused intensively on the issues involved and what has taken place to date with a view towards structuring an approach with respect to Act 47 and with respect to pending legislation pertaining to the state takeover.

Under the Rules of Professional Conduct applicable to attorneys in Pennsylvania, I am obliged to advise you in writing at the outset of any representation of my billing procedures.

I bill clients on the basis of time plus expenses. I normally bill in one-tenth hour increments with time applied against a retainer received. My rate generally is \$525 per hour. Given the public importance of my representation I am willing to reduce that rate to \$300 per hour for the work done to date and future work undertaken by me and those affiliated with my practice.

Moreover, the client is responsible for all expenses incurred such as, special postage (not regular first class rates), copying expenses, Federal Express and other expedited messenger services and transportation costs, if necessary, court filing fees, depositions and other charges attendant to litigation. You will receive monthly itemized statements describing activities performed and charges submitted for reimbursement. Statements not paid within 30 days are subject to interest charge of 1.5% per month.

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Honorable Susan Brown Wilson
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I would normally rely on a small retainer and an hourly fee structure but for the fact that I can envision circumstances where we undertake court proceedings or the General Assembly ends up putting the City in receivership such that a receiver or court would have to approve my fees. Given the intensive amount of work involved, the small nature of my practice, and the attendant delays that court or receiver approval would entail, this is not a process that I can underwrite. Accordingly an \$20,000 retainer is required from funds that Council is able appropriate for fees and expenses. To the extent that hours and expenses submitted for reimbursement are less than the retainer received, the remainder will be refundable.

In the event that my activities result in additional revenues for the City and/or the shedding of various obligations, my fee would be recalculated to reflect charges of \$525 per hour together with such "success fee" as the Council might in its entire discretion award.

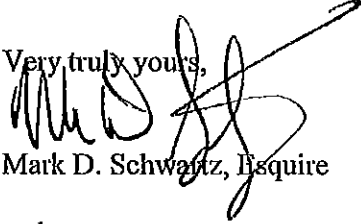
Given the uniqueness of the issues at hand, I think it important that Council be free to release me at any time and correspondingly, that I be free to end my representation at any time subject to outstanding bills of mine being paid. Any disputes between you and me, as client and lawyer, are subject to the jurisdiction of Pennsylvania.

Given the immediacy of the time frame and that the necessary work already undertaken I trust that you will promptly address any questions to me that you might have and then take the requisite steps to secure the requisite approval such that your signature below constitutes a binding agreement with Council.

Otherwise, please obtain the requisite approvals of Council so that you are signing on behalf of Council, sign two copies of this agreement, and return them both to me. I will sign them both and return one to you.

Be assured that you have had and will continue to have mine and my practice's utmost efforts.

Very truly yours,


Mark D. Schwartz, Esquire

The above terms are hereby accepted and agreed-to :

COUNCIL OF THE CITY OF HARRISBURG

By: _____