

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

-----X	:	
In re	:	
	:	Case No. 11-06938 (MDF)
CITY OF HARRISBURG, PA,	:	
	:	Chapter 9
	:	
Debtor.	:	
	:	
-----X		

**JOINDER OF SYNCORA GUARANTEE INC. TO
OBJECTION BY THE COMMONWEALTH OF PENNSYLVANIA
TO CHAPTER 9 PETITION OF THE CITY OF HARRISBURG**

Syncora Guarantee Inc., f/k/a XL Capital Assurance Inc. ("Syncora"), a creditor and party in interest in this case, hereby joins in the Objection of The Commonwealth of Pennsylvania to Chapter 9 Petition of the City of Harrisburg, dated October 14, 2011 (the "Objection"), and respectfully states as follows:

JOINDER

1. Syncora serves as bond insurer under that certain Fourth Supplemental Indenture, dated as of January 1, 2007, between the Harrisburg Parking Authority (the "Authority") and The Bank of New York Trust Company, National Association, as Trustee (the "Trustee"), relating to the Guaranteed Parking Revenue Bonds, Series R of 2006 ("Series R Bonds") issued by the Authority.

2. Pursuant to a certain Series R Guaranty Agreement, dated as of January 1, 2007, by and between the City of Harrisburg, Pa. (the "City"), the Authority, and the Trustee, the City guaranteed the payment of principal and interest on the Series R Bonds when due for payment.

Accordingly, Syncora is a contingent creditor of the City and a party in interest in this chapter 9 case.

3. Syncora hereby joins in the Objection on the same grounds as set forth therein, and incorporates by reference herein the arguments and legal support set forth in the Objection. In order to qualify as a debtor under chapter 9, a party filing a petition for relief must satisfy certain eligibility requirements set forth in section 109(c) of the Bankruptcy Code. One of these requirements is that the filing entity be “specifically authorized, in its capacity as a municipality or by name, to be a debtor under [chapter 9] by State law, or by a governmental officer or organization empowered by State law to authorize such entity to be a debtor under such chapter” 11 U.S.C. § 109(c)(2).

4. As set forth in the Objection, a recent amendment to the Fiscal Code (as defined in the Objection) of the State of Pennsylvania expressly prohibits financial distressed “cities of the third class”—which includes the City—from filing a petition for relief under chapter 9 of the Bankruptcy Code until at least July 1, 2012. Therefore, the City is not specifically authorized by State law to be a chapter 9 debtor and cannot satisfy the eligibility requirement of section 109(c)(2) of the Bankruptcy Code.

5. Consistent with this Court’s Order Setting Objection and Briefing Deadlines and Scheduling Hearing, dated October 19, 2011, Syncora hereby reserves the right to raise additional objections and/or arguments in connection with the validity of the City’s chapter 9 petition, whether pursuant to section 109(c) of the Bankruptcy Code or otherwise, and reserves the right to be heard before this Court with respect to the foregoing.

6. Syncora requests that this Joinder, which incorporates the legal arguments set forth in the Objection, be deemed to constitute Syncora's brief in support thereof and asserts that no further memorandum of law is necessary.

WHEREFORE, Syncora respectfully requests that this Court enter an order (i) dismissing this chapter 9 case for failure to satisfy the eligibility requirement set forth in section 109(c)(2) of the Bankruptcy Code, and (ii) granting such other and further relief as the Court deems just and proper.

Dated: October 28, 2011

**KLEHR | HARRISON | HARVEY |
BRANZBURG LLP**

By: s/ Kathryn E. Perkins

Francis M. Correll, Esq.
Kathryn E. Perkins, Esq.
1835 Market Street, Suite 1400
Philadelphia, PA 19103
Telephone: (215) 400-2850
Email: fcorrell@klehr.com
kperkins@klehr.com

-and-

George B. South III, Esq.
Daniel G. Egan, Esq.
DLA PIPER LLP (US)
1251 Avenue of the Americas
New York, New York 10020-1104
Telephone: (212) 335-4500
Email: george.south@dlapiper.com
daniel.egan@dlapiper.com

Attorneys for Syncora Guarantee Inc.