COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

In the Matter of:	:	Buyer-Seller Agreement
HARLEY-DAVIDSON MOTOR COMPANY OPERATIONS, INC., Seller,	: re:	Harley-Davidson Motor Company Operations, Inc. - "West Campus" 1425 Eden Road Springettsbury Township York County, Pennsylvania
YORK COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, Buyer.	:	

CONSENT ORDER AND AGREEMENT

This Consent Order and Agreement ("Agreement") is entered into this 22ND day of JULY, 2010, by and among the Commonwealth of Pennsylvania, Department of Environmental Protection ("Department"), Harley-Davidson Motor Company Operations, Inc. ("Seller"), and York County Industrial Development Authority ("Buyer"). The Department, Seller, and Buyer are sometimes referred to herein collectively as the "Parties."

The following lettered paragraphs have been drafted by the Seller and the Buyer and accepted by the Department for the purposes of this Agreement:

The Parties

A. The Department is the Commonwealth agency with the duty and authority to administer and implement the Land Recycling and Environmental Remediation Standards Act, Act of May 19, 1995, as amended, 35 P.S. §§ 6026.101 - 6026.908 ("Act 2"); and to administer and enforce the Hazardous Sites Cleanup Act, Act of October 18, 1988, as amended, 35 P.S. §§ 6020.101 - 6020.1305 ("HSCA"); the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601 - 9675 ("CERCLA"); the Solid Waste Management Act, Act of July 7, 1980, as amended, 35 P.S. §§ 6018.101 - 6018.1003 ("Solid Waste Management Act"); the Clean Streams Law, Act of June 22, 1937, as amended, 35 P.S. §§691.1 - 691.1001 ("Clean Streams Law"); the Storage Tank and Spill Prevention Act, Act of July 6, 1989, as amended, 35 P.S. §§6021.101 - 6021.2104 ("Storage Tank Act"); Section 1917-A of the Administrative Code of 1929, Act of April 9, 1929, as amended, 71 P.S. § 510-17 ("Administrative Code"); and the regulations promulgated thereunder.

B. Seller is a Wisconsin corporation with Pennsylvania offices located at 1425 Eden Road, York, Pennsylvania. Seller is in the business of designing, manufacturing, and selling at wholesale primarily heavyweight touring, custom, and performance motorcycles, as well as a line of motorcycle parts, accessories, general merchandise and related services. Seller conducts business on a global basis, with sales in North America, Europe/Middle East/Africa, Asia/Pacific and Latin America.

C. Buyer is a governmental authority organized and existing under the laws of the Commonwealth of Pennsylvania, with its principal place of business located at 144 Roosevelt Avenue, York, Pennsylvania. Buyer is in the business of promoting the development and redevelopment of industrial sites in York County by providing funding via issuance of tax-exempt notes and bonds and by sponsoring applications to the Pennsylvania Economic Financing Authority.

The Property

D. The property, owned by the Seller, consists of approximately 58 acres of land and all improvements thereon (subject to demolition of certain structures pursuant to the Agreement of Sale dated December 28, 2009 between Buyer and Seller (the "Agreement of Sale")), located at 1425 Eden Road, Springettsbury Township, York County, Pennsylvania (the "Property"). The Property boundary is generally depicted on the diagram attached hereto as Exhibit "C" and incorporated herein. The Property is presently part of a larger parcel owned by Seller, which totals 228 acres (including the 58 acres comprising the Property), identified as Tax Parcel Number 46000KI023500 in records maintained by the York County Recorder of Deeds (the "Harley-Davidson Plant Site"). The Harley-Davidson Plant Site is bordered on the south by U.S. Route 30, on the west by a Norfolk Southern Railroad line, on the north by Eden Road and Paradise Road, and on the east by residential properties. As part of the contemplated sale, the Property will be subdivided from the Harley-Davidson Plant Site, and upon subdivision, the Property will be bordered on the north and east by property retained by Seller, on the south by property retained by Seller and Eden Road, and on the west by a Norfolk Southern Railroad line. The Property is located in a mixed-use area of commercial, industrial, residential and undeveloped properties.

E. The Property (as part of the larger Harley-Davidson Plant Site) has been used for manufacturing and industrial purposes since 1941. From 1941 until the early 1970's, previous owners manufactured, assembled, and tested military products and military-service weapons. The site was initially developed for manufacturing in 1941 by the York Safe and Lock Company, a U.S. Navy contractor for the manufacture, assembly, and testing of 40 mm twin and quadruple gun mounts, complete with guns. In 1944, the Navy took possession of the Harley-Davidson Plant Site, and it owned and operated the facility as the York Naval Ordnance Plant ("YNOP") until 1964, switching operations after World War II to overhaul war-service weapons, making rocket launchers, and manufacturing 3-inch/50 caliber guns, 20 mm aircraft guns, and power drive units for 5-inch/54 caliber guns. In 1964, the Navy sold the Harley-Davidson Plant Site to

American Machine & Foundry Company ("AMF"), who continued similar manufacturing. In 1969, AMF merged with Harley-Davidson, and in 1973, Harley-Davidson moved its motorcycle assembly operations to the Harley-Davidson Plant Site. In the 1970's and through the 1980's, the facility manufactured snowmobiles, bowling lane pin spotters, golf carts, wire twisters for wiring harnesses, high speed printers for IBM, motorcycles, and periodically bomb casings and ordnances. In 1981, Harley-Davidson Motor Company was purchased from AMF, and the Harley-Davidson Plant Site was part of that purchase. Since that time, the Harley-Davidson Plant Site has been used primarily for manufacturing motorcycles.

F. There are numerous buildings on the Property of varying ages dating to the 1940's. The majority of the buildings presently house manufacturing processes (fabrication, painting, and assembly) relating to Seller's touring line of motorcycles. There are several buildings that provide support services to the manufacturing process (maintenance, wastewater treatment, waste handling/storage, power house (boilers for heating), parts and accessories, etc). The majority of the Property is improved with structures and various parking areas, drives, loading docks, and other improvements, and there are multiple storm water control and conveyance facilities on portions of the Property. In addition to utility lines (storm water, sewer, water, and electrical power), the Property also contains a groundwater remediation and monitoring system that includes groundwater monitoring and recovery wells and piping that conveys extracted groundwater to a treatment facility (the treatment facility is located on land to be retained by Seller, and not on the Property). Access to the Property and the other portions of the Harley-Davidson Plant Site is provided through secured gates. The boundary perimeter is fenced to deter illegal entrance.

Contamination of the Property

G. The location and horizontal and vertical extent of environmental contamination of the Property have not been fully assessed to date, but the steps required to do so will be completed pursuant to the One Cleanup Program (as set forth in Paragraph N below) and a settlement agreement between Harley-Davidson and the United States (as identified in Paragraph G.3. herein). The location and horizontal and vertical extent of soil contamination on the Property has been assessed in the "Draft Supplemental Remedial Investigations Soil Report, Former York Naval Ordnance Plant," dated December 1, 2009 (the "Soils RI"), and approved as final by the Department and the United States Environmental Protection Agency ("EPA"), Region III by letter dated March 17, 2010. Other progress reports on investigation and remediation of both soil and groundwater contamination at the Harley-Davidson Plant Site (including the Property) have been periodically filed with the Department. A list of the key reports is attached hereto as Exhibit "D" and incorporated herein (the "Investigation/Remediation Reports"). The Soils RI, the Investigation/Remediation Reports, and the reports that will eventually be submitted to the Department pursuant to the One Cleanup Program and consistent with the NCP are collectively referred to herein as the "Reports." By way of further background information:

1. Contamination of the Harley-Davidson Plant Site was discovered in or around 1984, and remedial investigation activities began in 1984. Since at least 1986, Seller has been conducting remediation activities at the Harley-Davidson Plant Site under the supervision of the Department. In 1998, Seller initiated a site-wide remedial investigation/feasibility study ("RI/FS") to evaluate potential sources of soil and groundwater impacts, determine the fate and transport characteristics of known constituents of concern, and evaluate the risk that the constituents of concern pose to human health and the environment. The assessment is continuing, and to date includes installation and monitoring of 173 groundwater monitoring wells and soil investigations throughout the site and off-site (as set forth in the Reports, as defined and discussed below). The Department has been kept apprised of and has overseen the environmental assessment and remediation. Seller has actively pursued public involvement relating to its environmental assessment and remedial activities, and maintains a public website on which it publishes key documents, plans, reports, and correspondence relating to the site (http://www.yorksiteremedy.com).

2. As noted above, the Property is part of the larger Harley-Davidson Plant Site. The environmental assessment and remediation activities have been, and continue to be, undertaken for the entire Harley-Davidson Plant Site, and the subdivision and sale of the Property will not alter that approach. While this Agreement relates only to the 58 acres comprising the Property, because the environmental assessments and remediation have been ongoing for over twenty years and the decision to subdivide and sell the Property was only recently made, the Reports (as defined below) and the further reports and documentation that will be submitted as part of the cleanup include identification of the contamination existing on the 58 acres that constitute the Property, but they do so as part of the assessment of the full Harley-Davidson Plant Site.

3. A substantial portion of the contamination relates to historical operations, including operation of the former YNOP. Seller's environmental investigation, characterization, and remediation activities have been and are being conducted pursuant to a Settlement Agreement and cost-sharing arrangement dated January 25, 1995 (the "Settlement Agreement") between Harley-Davidson, Inc. and the United States, the United States Department of Defense, and the United States Department of Navy (collectively, the "United States"), as represented by the United States Army Corps of Engineers ("USACE"). Under the Settlement Agreement, the environmental assessment and remediation of the Harley-Davidson Plant Site is to be performed by Seller, with review and input from the USACE, in substantial compliance with the National Contingency Plan ("NCP") and consistent with other federal and applicable state and local laws and regulations. All environmental assessment and remedial activities are being completed in substantial compliance with the NCP pursuant to the One Cleanup Program, as discussed in Paragraph N herein.

H. The Reports are incorporated herein by reference to the extent that they relate to the Property. They have been or will be provided to the Department and EPA, and maintained as public documents by the Department in accordance with its standard document retention practices.

I. The Reports contain or will contain the analytical results of soil sampling and groundwater investigation on the Property, including the installation, sampling and analysis for the constituents identified in this Paragraph I, the determination of the direction of groundwater flow on the Property, and the sampling and analysis for contaminants in the soil. Sampling of soil and groundwater included analysis for metals, volatile organic compounds ("VOCs"), semi-volatile organic compounds ("SVOCs"), polycyclic aromatic hydrocarbons ("PAHs"), polychlorinated biphenyls ("PCBs"), pesticides and herbicides, and other compounds.

J. The Reports describe the contamination currently known by Buyer and Seller to exist on the Property, and will set forth the results of further environmental assessment of the Property pursuant to Seller's remedial activities under the One Cleanup Program (collectively, the "Identified Contamination"). The Identified Contamination, to the extent known, is listed in the Tables attached hereto as Exhibit "A" and the location of the Identified Contamination, to the extent known, and the groundwater extraction and monitoring wells on the Property are shown on the Map attached hereto as Exhibit "B". Exhibits A and B are incorporated herein by reference.

K. Extensive soil and groundwater assessments and remedial activities have been performed to date, as set forth in the Reports. By way of summary:

1. **Groundwater Contamination and Remedial Activities.** Groundwater at the Harley-Davidson Plant Site (and the Property) is contaminated with volatile organic compounds ("VOCs"), primarily chlorinated solvents trichloroethylene ("TCE"), tetrachloroethylene ("PCE"), 1,1,1-trichloroethane, and their degradation products, with lesser frequencies of hexavalent chromium, lead, and cyanide. Seller installed and operates a groundwater remediation system as an interim groundwater remedy that includes 16 groundwater extraction wells, piping, and a treatment facility utilizing air stripping in association with thermal treatment or carbon adsorption to control off-gasses, with discharge to Codorus Creek pursuant to an NPDES permit. The groundwater extraction and treatment system ("GWTS") was constructed in 1990 and has continued operations to date, and Seller reports the status of the GWTS to the Department via annual reports. The distribution of these constituents in groundwater suggests that groundwater contamination exists site-wide and that the contamination originated from multiple source areas.

2. **Soil Contamination and Remedial Activities.** Soil investigations revealed that various constituents exceed applicable Department cleanup standards in

certain specific source locations, including metals (antimony, arsenic, cadmium, hexavalent chromium, lead, nickel, selenium, silver, thallium, and zinc), VOCs (benzene, chlorobenzene, ethylbenzene, toluene, xylenes, TCE, PCE, and vinyl chloride), PAHs, and PCBs (Arochlor-1254 and Arochlor-1260). Several areas of soil contamination have already been subjected to or are being subjected to remedial actions. Seller installed and operates a soil vapor extraction ("SVE") system on the Property, located in the northwest corner of Building 4. The SVE system includes ten (10) soil vapor extraction wells (above groundwater), which are located within and beneath Building 4. An engineered liner with soil cap was constructed over shallow VOC-contaminated soil along the northwest property boundary (west of Eden Road). That area will be addressed as part of the remediation. Seller also entered into two (2) storm water monitoring and maintenance agreements in 2004/2005 between Seller, Springettsbury Township and the Department relating to the Eden Road relocation and the West Roadway and Security Improvement project (West Property areas). Pursuant to those agreements, Seller lined certain storm water improvements and capped other areas of contamination, and Seller has informed Buyer of those requirements and provided a copy of the agreements.

The Proposed Sale

L. Seller intends to sell the Property to Buyer, who intends to buy the Property and redevelop the Property for non-residential use. The general intent of the Buyer is to facilitate the development and subsequent sale of the Property or portions of the Property. Expected potential uses include: offices, warehousing, and light manufacturing.

M. Buyer represents to the Department that it did not cause or contribute to, and is not otherwise liable or responsible under any federal or state environmental law for the Identified Contamination of the Property. The Department is not aware of any information to the contrary that would indicate such liability or responsibility.

The Remediation Plan

N. On February 7, 2005, Seller submitted to the Department a Notice of Intent to Remediate ("NIR") for the Harley-Davidson Plant Site. By letter dated July 15, 2005, the Department and United States Environmental Protection Agency, Region III acknowledged the NIR and confirmed that Seller is enrolled in the One Cleanup Program established pursuant to a Memorandum of Agreement dated April 21, 2004 entered into between EPA Region III and the Department. The July 15, 2005 letter stated that the agencies expect Seller to complete all remedial work at the Harley-Davidson Plant Site through participation in the One Cleanup Program. The agencies acknowledged the Settlement Agreement between the United States and Seller, and expressly recognized that the site assessment and remediation activities that Seller

will conduct under the One Cleanup Program will be consistent with the NCP. By letter dated September 28, 2005, EPA and the Department further confirmed the applicability of the One Cleanup Program to the site assessment and remediation activities at the Harley-Davidson Plant Site, also noting that the One Cleanup Program will allow Seller to complete its federal corrective action obligations under the Resource Conservation and Recovery Act ("RCRA") and concurrently receive a release of liability from the Department. Accordingly, all site assessment and remediation activities at the Harley-Davidson Plant Site, including the Property, are being performed pursuant to the One Cleanup Program.

O. Seller intends to remediate the Identified Contamination pursuant to the One Cleanup Program and in accordance with the Settlement Agreement between Harley-Davidson and the United States (the "Plan"). Final selection of remediation measures has not been completed to date, but will likely include use of site-specific standards for groundwater, and a combination of site-specific or statewide health standards for soils depending on the specific area of concern. The Agreement of Sale between Buyer and Seller allows Seller to select the remediation standards in its sole discretion, and provides for implementation and maintenance of engineering and/or institutional controls, to be memorialized in an environmental covenant(s), to attain and/or maintain the selected remediation standards. By entering into this Agreement, Seller neither admits nor denies legal liability or responsibility for the Identified Contamination, except for the Seller's Obligations in Paragraph 3.

P. Seller anticipates completing the environmental assessments, feasibility studies, and remediation pursuant to the One Cleanup Program in general accordance with the "Milestone Project Schedule, Former York Naval Ordnance Plant" dated March 2010, a copy of which is attached hereto as Exhibit "E" and incorporated herein by reference. The Milestone Project Schedule is a living document that is revised from time to time to account for site conditions and changes to the assessment and remediation schedules. Seller will promptly forward to the Department copies of any revised Milestone Project Schedules as they are adopted, and the Department will maintain the Schedules as public documents in accordance with its standard document retention practices.

After full and complete negotiation of all matters set forth in this Agreement, and upon mutual exchange of the covenants contained herein, the Parties intending to be legally bound, it is hereby ORDERED by the Department and AGREED TO by Seller and Buyer as follows:

1. Authority. This Agreement is an Order of the Department authorized and issued pursuant to the environmental laws of the Commonwealth listed in Paragraph A, particularly Sections 5, 316, 402 and 610 of the Clean Streams Law, 35 P.S. §§ 691.5, 691.316, 691.402 and 691.610; Sections 4 and 602 of the Solid Waste Act, 35 P.S. §§ 6018.4 and 6018.602; Sections 107 and 1309 of the Storage Tank Act, 35 P.S. §§ 6021.107 and 6021.1309; and 71 P.S. § 510-17.

2. Findings.

a. Seller and Buyer agree that the findings in Paragraphs A through P are true and correct to the best of their knowledge and, in any matter or proceeding involving either or both of them and the Department, Seller and/or Buyer shall not challenge the accuracy or validity of these findings.

b. The Parties do not authorize any other person to use the findings in this Agreement in any matter or proceeding.

3. Seller's Obligations. Seller shall:

a. Attain and demonstrate compliance with a cleanup standard or standards for the Identified Contamination in accordance with the One Cleanup Program in general compliance with the Milestone Project Schedule, as revised from time to time. The Parties acknowledge that this process may take in excess of fifteen (15) years to complete.

b. Prepare and record in the Recorder of Deeds Office for York County an environmental covenant, as such term is defined in the Pennsylvania Uniform Environmental Covenants Act, 27 Pa. C.S. §§6501-6517 ("UECA"), approved by the Department, providing that (1) groundwater at or beneath the surface of the Property or any part thereof shall not be used for any purposes and no wells for the extraction thereof shall be installed, permitted, or utilized on the Property, provided however that, notwithstanding the preceding, such environmental covenant shall not prohibit the installation and/or operation of monitoring wells and recovery wells on the Property by Seller, its successors and assigns, solely for the purposes of monitoring, treating, and remediation of such groundwater, as required by applicable governmental environmental agencies to conduct groundwater monitoring, treatment, or remediation or in defense of any claim brought by a third party against Seller, its successors, assigns or transferees alleging responsibility for environmental conditions at the Premises; and (2) imposing on the Property the activity and use limitations described in Exhibit "F" attached hereto, as may be modified or supplemented by agreement of Seller and Buyer prior to settlement on the sale of the Property. Seller shall, within fifteen (15) days after Seller and Buyer reach any agreement to modify or supplement the activity and use limitations, provide written notice to the Department of such modification or supplementation.

c. Prepare an environmental covenant, as such term is defined in UECA, approved by the Department, for recording by Buyer, imposing such activity and use limitations on the Premises as Seller determines, in its reasonable discretion after providing notice to Buyer, are needed to attain and demonstrate compliance with a cleanup standard or standards for the Identified Contamination in accordance with the One Cleanup Program, Act 2, and/or RCRA and/or to obtain the Department's and EPA's approval of remedial activities to be conducted by Seller.

d. Within sixty (60) days after final approval of Springettsbury Township for

the subdivision of the Property from the Harley-Davidson Plant Site, record this Agreement and its Exhibits with the deed to the Property, in the Recorder of Deeds Office for York County and index the Agreement with the deed, listing it under Seller as Grantor and Buyer as Grantee; and simultaneously notify the Department in writing that it has completed this obligation and inform the Department of the Deed Book and Page where the Property deed and Agreement have been filed.

4. Buyer's Obligations. Buyer, or any successor to the Buyer, shall:

a. Promptly execute, for recording in the Recorder of Deeds Office for York County, the environmental covenant prepared by Seller in accordance with Paragraph 3.c. of this Agreement.

b. Comply with any and all environmental covenants and/or other activity and use restrictions applicable to the Property.

c. Avoid disturbing subsurface strata and soils. If such disturbance is proposed as part of Buyer's development of the Property, Buyer shall, no less than 3 days before beginning the disturbance, submit to the Department a Work Plan for management and disposal of disturbed subsurface strata and soils consistent with Pennsylvania environmental statutes and regulations, and for replacing any engineering controls that are in place at that time. Thereafter, Buyer shall properly manage and dispose all subsurface strata and soils consistent with the Work Plan as approved by the Department.

d. The agreements by Buyer in Paragraphs 4.a., 4.b. and 4.c. are covenants running with the land and Buyer shall include these covenants in all deeds, leases and other instruments of conveyance of the Property.

e. Promptly notify the Department if there is any proposal to change the exposure patterns on which the remediation standard was based and take steps to assure that an Act 2 standard continues to be met.

f. Notify the Department when the Property has been purchased by the Buyer and provide to the Department, within ten (10) days of the transfer of title, a copy of the instrument used to transfer title, containing the covenants described in Paragraphs 3.b; and thereafter, notify the Department when the environmental covenants described in Paragraphs 3.c. and 4.a. have been recorded, and provide to the Department, within ten (10) days of recording, copies of the instrument containing those covenants.

5. Covenant Not To Sue. Provided Buyer complies with the obligations in Paragraphs 4, 7, 8 and 9, and subject to the limitations set forth in Paragraphs 6 and 13, the Department hereby covenants not to sue or take administrative action against Buyer under the environmental laws of the Commonwealth listed in Paragraph A above because of Buyer's

ownership interest in the Property, for remediation of the Identified Contamination. The Department has determined that the Buyer meets the criteria for limiting its environmental liability under the Economic Development Agency, Fiduciary and Lender Environmental Liability Protection Act, as amended, and particularly 35 P.S.§ 6027.4. Provided Buyer complies with the obligations in Paragraphs 4, 7, 8 and 9, and subject to the limitations set forth in Paragraphs 6 and 13, the Department, except as set forth in 35 P.S.§ 6027.4[1] (as that provision

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[1] 35 P.S.§ 6027.4 provides as follows: Limitation of economic development agency environmental liability

(a) GENERAL RULE. --An economic development agency that holds an indicia of ownership in property:

(1) as a security interest for the purpose of developing or redeveloping the property; (2) to finance an economic development or redevelopment activity; or (3) to secure public funding for the environmental investigation, remediation or redevelopment of or implementation of infrastructure improvements at the property for, among other purposes, the transfer of title to the property to a third party after rehabilitation shall not be liable under the environmental acts to the department or to any other person in accordance with this section.

(b) SCOPE OF LIMITED LIABILITY. -

(1) An economic development agency shall not be liable in an action by the department, as a responsible person, unless the economic development agency, its employees or agents directly cause an immediate release or directly exacerbate a release of a regulated substance on or from the property.

(1.1) An economic development agency, its officers, directors, agents, members, employees and its professional consultants shall not be liable, including, but not limited to, for property damages, diminution of property value, stigma damages, natural resource damages, economic loss, bodily injury or death relating to any regulated substance currently or previously released on or from the property, in any action by a person alleging liability of any kind pursuant to the environmental acts, unless the economic development agency, its officers, directors, agents, members, employees or its professional consultants directly cause an immediate release or directly exacerbate a release of any regulated substance on or from the property.

(2) An economic development agency which forecloses on or assumes possession of a property shall remain within the exemption from liability under subsection (a).

(3) An economic development agency that conducts a remedial action in accordance with a written agreement with the department shall not be liable as a responsible party, owner, operator or occupier in any action by the department for a release or potential release of any regulated substance.

(4) There is cooperation with governmental agencies performing a remedial action, as follows:

(i) An economic development agency and any of its successors and assigns may take no action that would disturb or be inconsistent with remedial response that is proposed, approved or implemented by the Federal Environmental Protection Agency.

(ii) An economic development agency and any of its successors and assigns shall permit access to Federal and Commonwealth agencies and other parties acting under the direction of these agencies to evaluate, perform or maintain a remedial action.

is written as of the effective date of this Agreement), further covenants not to sue or take administrative action against Buyer for any unidentified, unknown or undiscovered contamination that may exist on the Property at the time of closing. This covenant not to sue is null and void if the Department determines that the Buyer, its agents, employees or representatives caused or contributed to the identified contamination or submitted false information to the Department. When the Department approves the Final Report, the liability protection conferred on Seller by Section 501 of Act 2 shall pass automatically to Buyer pursuant to Section 501 (a)(3), and this Covenant Not to Sue shall become null and void.

6. Reservation of Rights. With respect to any contamination on the Property caused, contributed to, or exacerbated by Buyer after Buyer assumes ownership of the Property, the Department expressly reserves the right to require Buyer to remediate, to the extent required by law.

7. Non-Interference. Neither Seller nor Buyer shall interfere with the performance of the remedial obligations under this Agreement.

8. Non-Exacerbation. Neither Seller nor Buyer shall, by act or omission, exacerbate any contamination of the Property.

9. Access. Upon closing on the purchase of the Property, Buyer shall allow Seller, the Department, and their representatives reasonable access to the Property during and after implementation of the Plan for purposes of completion of the environmental assessment and remediation and of monitoring the progress and results thereof, including any institutional and engineering controls. Buyer's use of the Property shall not unreasonably interfere with Seller's environmental assessments, remediation, or monitoring or with Seller's remediation obligations, including the obligations set forth in Paragraph 3.a. herein or any action required by the Department and/or EPA or by the Settlement Agreement between Harley-Davidson and the United States. Seller and Buyer shall each reasonably cooperate and coordinate its efforts with the other, to the extent practicable, in connection with Seller's environmental assessments, feasibility studies, and remediation activities. Seller and the Department will use its best efforts to minimize interference with Buyer's use of the Property. However, nothing in this Agreement shall limit the Department's statutory rights regarding access to the Property for any purpose, including but not limited to remediation of any remaining contamination.

(iii) An economic development agency or any of its successors and assigns shall perform, operate and maintain remedial actions pursuant to State laws as directed by the department.

10. Transferability.

a. Before this Agreement terminates pursuant to Paragraph 24 below, this Agreement shall be transferable by Buyer to any subsequent owner of the Property ("Transferee") who did not cause or contribute to and is not otherwise liable for contamination of the Property, provided that the Transferee before or at the closing for the Property agrees in writing with the Department that the Transferee will be subject to the Buyer's Obligations in this Agreement. Buyer, or anyone who intends to transfer title to the Property, shall provide a copy of this Agreement to the Transferee at least 60 days before the contemplated transfer and shall simultaneously inform the Department of such intent pursuant to Paragraph 16 below.

b. In the event of such transfer in accordance with the terms of this Agreement, the Transferee shall be entitled to the benefits of the covenant not to sue provided in Paragraph 5.

c. The Seller's (or other Remediator's) duties and obligations under the Agreement shall not be modified, diminished, terminated or otherwise altered by the Buyer's transfer of any legal or equitable interest in the Property, or any part thereof.

11. Deed Acknowledgment. Seller or Buyer, as appropriate, shall include in any deed for the property an acknowledgment of hazardous substances and/or hazardous wastes on the property in accordance with Section 405 of the Solid Waste Management Act, 35 P.S. § 6018.405, and Section 512 of HSCA, 35 P.S. § 6020.512.

12. Effect of Agreement on Other Parties and Other Contracts. Nothing in this Agreement is intended, nor shall be construed, to diminish or modify in any way the obligations with respect to the Property of any person or entity, other than the Parties to this Agreement, and then, only to the extent expressly set forth in this Agreement. Nothing in this Agreement is intended, or shall be construed, to diminish, alter or modify the respective obligations of Buyer and Seller, vis-à-vis each other, as set forth in the Agreement of Sale dated December 29, 2009 between Buyer and Seller. Nothing in this Agreement is intended, or shall be construed, to diminish, alter or modify the Settlement Agreement dated January 24, 1995 between Harley-Davidson and the United States or the obligations contained therein.

13. Remedies.

a. In the event Seller or Buyer fails to comply with any provision of this Agreement, the Department may, in addition to the remedies prescribed herein, pursue any remedy available for a violation of an order of the Department, including an action to enforce this Agreement.

b. The remedies provided by this paragraph are cumulative and the exercise of one does not preclude the exercise of any other. The failure of the Department to pursue any remedy shall not be deemed to be a waiver of that remedy.

14. Hazardous Sites Cleanup Act. Seller and Buyer agree that failure to comply with the provisions of Paragraph(s) 3 and 4 of this Agreement constitutes a failure to comply with an "enforcement action" as provided in Section 1301 of HSCA, 35 P.S. § 6020.1301.

15. Liability of Parties. The Seller and Buyer shall inform all persons necessary for the implementation of this Agreement of the terms and conditions of this Agreement. The Seller shall be liable for violations of Paragraphs 3, 7, 8, and 11 above, including those violations caused by, contributed to or allowed by its directors, officers, agents, managers, servants and privies and any persons, contractors and consultants acting under or for the Seller. The Buyer shall be liable for violations of Paragraphs 4, 7, 8, 9, and 11 above including those violations caused by, contributed to, or allowed by its directors, officers, agents, managers, servants and privies and any persons, contractors and consultants acting under or for the Buyer.

16. Correspondence With Department. All correspondence with the Department concerning this Agreement shall be addressed to:

Environmental Cleanup Program Manager
Department of Environmental Protection
909 Elmerton Avenue
Harrisburg, PA 17110-8200

17. Correspondence With Seller and Buyer. All correspondence with Seller concerning this Agreement shall be addressed to:

Plant Manager, York Facility
Harley-Davidson Motor Company, Inc.
1425 Eden Road
York, PA 17402

with a copy to:

General Counsel

Harley-Davidson Motor Company
3700 West Juneau Avenue
Milwaukee, WI 53208

All correspondence with Buyer concerning this Agreement shall be addressed to:

Chairperson
York County Industrial Development Authority
144 Roosevelt Ave
York, PA 17402

Seller and Buyer shall notify the Department whenever there is a change in the contact person's name, title or address. Service of any notice or any legal process for any purpose under this Agreement, including its enforcement, may be made by mailing a copy by first class mail to the above addresses.

18. Severability. The paragraphs of this Agreement shall be severable and should any part hereof be declared invalid or unenforceable, the remainder shall continue in full force and effect between the parties.

19. Entire Agreement. This Agreement shall constitute the entire integrated agreement of the parties. No prior or contemporaneous communications or prior drafts shall be relevant or admissible for purposes of determining the meaning or extent of any provisions herein in any litigation or any other proceeding.

20. Modifications. No changes, additions, modifications or amendments of this Agreement shall be effective unless they are set out in writing and signed by the Parties.

21. Attorney Fees. The Parties agree to bear their respective attorney fees, expenses and other costs in the prosecution or defense of this matter or any related matters, arising prior to execution of this Agreement.

22. Execution of Agreement. This Agreement may be executed in counterparts.

23. Titles. A title used at the beginning of any paragraph of this Agreement may be used to aid in the construction of that paragraph, but shall not be treated as controlling.

24. Termination. This Agreement shall terminate 40 days from approval of the Final Report by the Department and EPA, or 40 days after recording of any environmental covenants in compliance with UECA, whichever is later, provided that such Final Report approvals have become administratively final actions and that no legal challenges are taken to those approvals. Should any such challenges be taken, this Agreement will remain in full force and effect until such time as such challenges are resolved, resulting a final, unassailable action of the

Department.

25. Effective Date. This Agreement shall be effective upon execution, except, however, this Agreement shall be null and void if the Buyer does not buy the Property on or before October 31, 2011, unless an extension is agreed to in writing by all Parties.

IN WITNESS WHEREOF, the Parties have caused this Consent Order and Agreement to be executed by their duly authorized representatives. The undersigned representatives of the Seller and the Buyer certify under penalty of law, as provided by 18 Pa. C.S. Section 4904, that they are authorized to execute this Consent Order and Agreement on behalf of the Seller and the Buyer, respectively; that the Seller and the Buyer consent to the entry of this Consent Order and Agreement as a final Order of the Department; and that the Seller and the Buyer hereby knowingly waive any rights to appeal this Consent Order and Agreement and to challenge its content or validity, which rights may be available under Section 4 of the Environmental Hearing Board Act, the Act of July 13, 1988, P.L. 530, 35 P.S. §7514; the Administrative Agency Law, 2 Pa. C.S. §103(a) and Chapters 5A and 7A thereof; or any other provision of law. Signature by attorneys for Seller and Buyer certifies only that this Consent Order and Agreement has been signed after consulting with counsel.

FOR THE SELLER:

Ed Magee
General Manager, York
Vehicle Operations

Scott A. Gould
Attorney for Seller

FOR THE BUYER:

John D. Krout
Chairman, YCIDA

Paul J. Bruder, Jr.
Attorney for Buyer

FOR THE COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF ENVIRONMENTAL PROTECTION:

Troy Conrad
Environmental Program Manager
Environmental Cleanup Program

Michael D. Buchwach
Assistant Counsel

784953.4

Department.

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FOR THE SELLER:

Ed Magee, General Manager
General Manager
York Vehicle Operations

Scott A. Gould
Attorney for Seller

FOR THE BUYER:

John D. Krout
Chairman, YCIDA

Paul J. Bruder, Jr.
Attorney for Buyer

FOR THE COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF ENVIRONMENTAL PROTECTION:

Troy Conrad
Environmental Program Manager
Environmental Cleanup Program

Michael D. Buchwach
Assistant Counsel

784953.4

JURAT Page

COMMONWEALTH OF PENNSYLVANIA :
:
COUNTY OF YORK :

On this 20th day of July, 2010, before me, a Notary Public, the undersigned officer personally appeared, Ed Magee, who acknowledged himself to be the General Manager, York Vehicle Operations of Harley-Davidson Motor Company Operations, Inc., a corporation organized and existing under the laws of Wisconsin, and that he as such General Manager, being authorized to do so, executed the Consent Order and Agreement for the purpose therein contained by signing the name of Harley-Davidson Motor Company Operations, Inc. by himself as General Manager.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Bonnie L Robertson
Notary Public

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Bonnie L. Robertson, Notary Public
Springettsbury Twp., York County
My Commission Expires Nov. 23, 2010
Member, Pennsylvania Association of Notaries

JURAT Page

COMMONWEALTH OF PENNSYLVANIA :
:
COUNTY OF YORK :

On this 21 day of July, 2010, before me, a Notary Public, the undersigned officer personally appeared, John D. Krout, who acknowledged himself to be the Chairperson of the York County Industrial Development Authority, a governmental authority organized and existing under the laws of the Commonwealth of Pennsylvania,, and that he as such Chairperson, being authorized to do so, executed the Consent Order and Agreement for the purpose therein contained by signing the name of the York County Industrial Development Authority by himself as Chairperson.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Kacie Leigh Longenberger, Notary Public
City Of York, York County
My Commission Expires Dec. 19, 2011
Member, Pennsylvania Association of Notaries

Kacie Leigh Longenberger
Notary Public

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COMMONWEALTH OF PENNSYLVANIA :
:
: SS.
COUNTY OF DAUPHIN :

On this 22 day of July, 2010, before me, a Notary Public, the undersigned officer personally appeared, Troy Conrad, who acknowledged himself to be the Program Manager, Land Recycling Program, Department of Environmental Protection, Commonwealth of Pennsylvania, and that he as such being authorized to do so, executed the Consent Order and Agreement for the purpose therein contained by signing his name as Program Manager.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Cory Lee Baker
Notary Public

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Cory Lee Baker, Notary Public
City of Harrisburg, Dauphin County
My commission expires October 06, 2013