

**File of the  
Council of the City of Easton, Pa.**

**Ordinance No.**

**SESSION 2014**

**Bill No. 1**

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Introduced by: Jeffrey Warren – January 8, 2014  
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Enacted by Council:  
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**AN ORDINANCE: Amending Section in Chapter 560-10 B, of the Code of the City of Easton, Pa.**

THE CITY OF EASTON HEREBY ORDAINS:

SECTION 1. Section 560-10 B (6) be and it is hereby added and shall read as follows:

- (6) If any motor vehicle/conveyance is illegally parked in violation of this Title or any applicable provision of the Motor Vehicle Code of the Commonwealth of Pennsylvania or whose owner is delinquent in payment of fines and costs imposed by a District Magistrate and for whom a warrant of arrest has been issued by a District Magistrate or whose owner is delinquent in payment of fines and penalties as a result of his violation of the parking laws of the City or the Commonwealth of Pennsylvania then that owner's motor vehicle(s)/conveyance(s) shall be prohibited from parking on City streets and shall be seized, removed and impounded or immobilized.

SECTION 2. All Ordinance or parts of Ordinances inconsistent herewith be and they are hereby repealed.

SECTION 3. This Ordinance shall become effective 30 days following adoption by Council.

Signed the      day of      2014

ATTEST: \_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

**Resolution**  
of the  
City of Easton, Pennsylvania

No. -2014

Date: January 8, 2014

Introduced by: Jeff Warren  
Co-sponsored by Ken Brown, James Edinger, Roger Ruggles, Sandra Vulcano,  
Elinor Warner and Salvatore J. Panto Jr.

WHEREAS, January is observed, across the United States, as "National Volunteer Blood Donor Month; and

WHEREAS, every January, blood banks across the United States appeal for all eligible people to donate blood; and

WHEREAS, every two seconds someone needs blood and 41,000 blood donations are needed every day; and

WHEREAS, as a result of accidents, inclement weather and serious illnesses, there is traditionally an increased demand on blood bank supplies; and

WHEREAS, blood cannot be manufactured; it can only come from generous donors; and

WHEREAS, donating blood is a simple, safe, lifesaving and selfless gift that millions of Americans are eligible to donate.

NOW THEREFORE BE IT RESOLVED, that the Council of the City of Easton, Pa., designates the month of January 2014 as "National Volunteer Blood Donor Month," and encourages the citizens of the City of Easton to donate blood during this month and throughout 2014.

This is to certify that the above Resolution was adopted by the City Council on the above date.

Attest: \_\_\_\_\_  
City Clerk

Signed: \_\_\_\_\_  
Mayor

**Resolution**  
of the  
City of Easton, Pennsylvania

No.           -2013

Date: January 8, 2014

Introduced by:       Jeffrey Warren  
Co-sponsored by Kenneth Brown, James Edinger, Roger Ruggles, Sandra Vulcano,  
Elinor Warner, and Salvatore J. Panto, Jr.

RESOLVED by the Council of the City of Easton, Pa. that it was with a feeling of deep sorrow that we learned of the death of Donald B. English on December 15, 2013.

Mr. English served the City and its citizens as a member of the Easton Police Department retiring after 31 years of service in 2002.

Mr. English served honorably in the US Navy Reserve during the Gulf War and retired in 2004.

Mr. English was an active member of religious, youth, service, military, fraternal and law enforcement organizations.

Mr. English was a dedicated faithful City employee and citizen. He performed his duties in an excellent and professional manner and was held in the highest esteem and affection by both friends and colleagues.

We join in expressing our deepest sympathy and condolences to his family at this the time of their bereavement.

This is to certify that the above Resolution was adopted by the City Council on the above date.

Attest: \_\_\_\_\_  
                  City Clerk

Signed: \_\_\_\_\_  
                                  Vice Mayor

**Resolution**  
of the  
City of Easton, Pennsylvania

No.           -2013

Date: January 8, 2014

Introduced by:       Jeffrey Warren  
Co-sponsored by Kenneth Brown, James Edinger, Roger Ruggles, Sandra Vulcano,  
Elinor Warner, and Salvatore J. Panto, Jr.

RESOLVED by the Council of the City of Easton, Pa. that it was with a feeling of deep sorrow that we learned of the death of Donald R. Trumbauer on December 17, 2013.

Mr. Trumbauer served the City and its citizens as a member of the Fire Department for 21 years.

Mr. Trumbauer served honorably in the US Navy during the Korean War.

Mr. Trumbauer was a member of religious and fire fighter organizations.

Mr. Trumbauer was a dedicated faithful City employee and citizen. He performed his duties in an excellent and professional manner and was held in the highest esteem and affection by both friends and colleagues.

We join in expressing our deepest sympathy and condolences to his family at this the time of their bereavement.

This is to certify that the above Resolution was adopted by the City Council on the above date.

Attest: \_\_\_\_\_  
                  City Clerk

Signed: \_\_\_\_\_  
                                  Vice Mayor

**Resolution**  
of the  
City of Easton, Pennsylvania

No. -2014

Date: January 8, 2014

Introduced by: Roger Ruggles

WHEREAS the Easton Historic District Commission at its December 9, 2013 meeting reviewed the plans and specifications of G. Scott Kindred/Kara Kirchgessner, owner/applicant for 40 N. 3<sup>rd</sup> Street, Easton, Pennsylvania for installation of a new sign at 40 N. 3<sup>rd</sup> Street.

WHEREAS the Commission recommended approval of the Certificate of Appropriateness; and

WHEREAS the report has been submitted to the Council of the City of Easton, Pa., for review and approval of the Certificate of Appropriateness.

NOW THEREFORE BE IT RESOLVED that the Council of the City of Easton, Pa., accepts and approves the Certificate of Appropriateness Report dated December 9, 2013 and hereby authorizes the issuance of a Certificate of Appropriateness commensurate with report of the Commission for 40 N. 3<sup>rd</sup> Street.

This is to certify that the above Resolution was adopted by the City Council on the above date.

Attest: \_\_\_\_\_  
City Clerk

Signed: \_\_\_\_\_  
Mayor





**Resolution**  
of the  
City of Easton, Pennsylvania

No. -2014

Date: January 8, 2014

Introduced by: Roger Ruggles

WHEREAS the Easton Historic District Commission at its December 9, 2013 meeting reviewed the plans and specifications of Governor Wolf LLC/Artifact, Inc., owner/applicant for 45 N. 2<sup>nd</sup> Street, Easton, Pennsylvania for installation of skylights on the secondary façade of the main building and reconstruction of the original windows in the earlier McCartney School Building at 45 N. 2<sup>nd</sup> Street.

WHEREAS the Commission recommended approval of the Certificate of Appropriateness; and

WHEREAS the report has been submitted to the Council of the City of Easton, Pa., for review and approval of the Certificate of Appropriateness.

NOW THEREFORE BE IT RESOLVED that the Council of the City of Easton, Pa., accepts and approves the Certificate of Appropriateness Report dated December 9, 2013 and hereby authorizes the issuance of a Certificate of Appropriateness commensurate with report of the Commission for 45 N. 2<sup>nd</sup> Street.

This is to certify that the above Resolution was adopted by the City Council on the above date.

Attest: \_\_\_\_\_  
City Clerk

Signed: \_\_\_\_\_  
Mayor

**Resolution**  
of the  
City of Easton, Pennsylvania

No. -2014

Date: January 8, 2014

Introduced by: Elinor Warner

RESOLVED, that the Council of the City of Easton, Pa., has reviewed and approves a contract between the City of Easton, Pa., and George S. Coyne Chemical Co., Inc., copy attached hereto, which incorporates all the bid specifications and documentation as required by the City of Easton, Pa., under its request for bids as advertised on December 16 and 17, 2013 for the purchase of Sodium Bi-Sulfite at a cost of \$1.299 per gallon.

BE IT FURTHER RESOLVED THAT Council authorizes the Mayor and City Controller to sign said contract on behalf of the City and the City Clerk to attest to same.

This is to certify that the above Resolution was adopted by the City Council on the above date.

Attest: \_\_\_\_\_  
City Clerk

Signed: \_\_\_\_\_  
Mayor

**Resolution**  
of the  
City of Easton, Pennsylvania

No. -2014

Date: January 8, 2014

Introduced by: Elinor Warner

RESOLVED, that the Council of the City of Easton, Pa., has reviewed and approves a contract between the City of Easton, Pa., and Premier Magnesia, LLC., copy attached hereto, which incorporates all the bid specifications and documentation as required by the City of Easton, Pa., under its request for bids as advertised on December 16 and 17, 2013 for the purchase of Magnesium Hydroxide at a cost of \$2.10 per gallon.

BE IT FURTHER RESOLVED THAT Council authorizes the Mayor and City Controller to sign said contract on behalf of the City and the City Clerk to attest to same.

This is to certify that the above Resolution was adopted by the City Council on the above date.

Attest: \_\_\_\_\_  
City Clerk

Signed: \_\_\_\_\_  
Mayor

# Resolution

of the  
City of Easton, Pennsylvania

No. -2014

Date: January 8, 2014

Introduced by: S. Vulcano

**RESOLUTION: Authorizing the signing of a cooperative agreement with the Greater Easton Development Partnership (GEDP)**

WHEREAS, The Greater Easton Development Partnership is applying to the Department of Community and Economic Development ("DCED") of the Commonwealth of Pennsylvania for a Keystone Communities Grant to provide loans to the individual businesses within the Easton Public Market for Fiscal Year 2014; and

WHEREAS, a requirement of the grant application is a public hearing and cooperative agreement with the Municipality

NOW THEREFORE, BE IT RESOLVED that the City Council of Easton, Pennsylvania authorizes:

- 1) Mayor and City Controller to sign the cooperation agreement with the Greater Easton Development Partnership.

This is to certify that the above Resolution was adopted by the City Council on the above date.

Attest: \_\_\_\_\_ Signed: \_\_\_\_\_  
City Clerk Mayor

# Resolution

of the  
City of Easton, Pennsylvania

No. -2014

Date: January 8, 2014

Introduced by: S. Vulcano

**RESOLUTION: Authorizing the signing of a cooperative agreement with the  
Redevelopment Authority of Easton, Pennsylvania**

WHEREAS, The Redevelopment Authority of Easton, Pennsylvania is applying to the Department of Community and Economic Development ("DCED") of the Commonwealth of Pennsylvania for a nCommunities Grant for grant funding for its blight elimination program; and

WHEREAS, a requirement of the grant application is a public hearing and cooperative agreement with the Municipality

NOW THEREFORE, BE IT RESOLVED that the City Council of Easton, Pennsylvania authorizes:

- 1) Mayor and City Controller to sign the cooperation agreement with the Redevelopment Authority of Easton, Pennsylvania.

This is to certify that the above Resolution was adopted by the City Council on the above date.

Attest: \_\_\_\_\_ Signed: \_\_\_\_\_  
City Clerk Mayor



# File of the Council of the City of Easton, Pa.

Ordinance No.

SESSION 2014

Bill No. 2

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Introduced by: Kenneth Brown – January 8, 2014  
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Enacted by Council:  
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## AN ORDINANCE: Amending the 2013 Health Benefits Fund Budget

THE CITY OF EASTON HEREBY ORDAINS:

SECTION 1. The 2013 Health Benefits Fund Budget be and it is hereby amended as follows:

<u>Account #</u>	<u>Description</u>	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Proposed Budget</u>
252-1011-39141	Transfer from Reserve	\$1,000,000	\$223,659.45	\$1,223,659.45
<b>Total Revenue Increase</b>				<b>\$223,659.45</b>
252-1011-4156	Health Insurance	\$ 250,000	\$ (9,685.18)	\$ 240,314.82
252-1011-41562	Claim Allowance	\$3,700,000	\$ 233,344.63	\$3,933,344.63
<b>Total Expenditure Increase</b>				<b>\$223,659.45</b>

SECTION 2. All Ordinance or parts of Ordinances inconsistent herewith be and they are hereby repealed.

SECTION 3. This Ordinance shall become effective immediately following adoption by Council.

Signed the    day of January 8, 2014

ATTEST: \_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

File of the  
Council of the City of Easton, Pa.

Ordinance No. \_\_\_\_\_

SESSION 2014

Bill No. 3

=====  
Introduced by: Kenneth Brown - January 8, 2014  
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Enacted by Council: \_\_\_\_\_  
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AN ORDINANCE:

AUTHORIZING THE SALE AND LEASEBACK OF THE CITY'S PUBLIC WORKS COMPLEX TO THE EASTON MUNICIPAL AUTHORITY ("AUTHORITY") FOR \$3,220,000; AUTHORIZING AND APPROVING A LEASE AGREEMENT WITH THE AUTHORITY AND SETTING FORTH AND APPROVING THE FORM THEREOF; AUTHORIZING AND APPROVING A GUARANTY AGREEMENT BY THE CITY ON BEHALF OF THE HOLDERS OF THE NOTE ISSUED BY THE AUTHORITY TO FINANCE ITS ACQUISITION OF THE CITY'S PUBLIC WORKS COMPLEX AND SETTING FORTH AND APPROVING THE FORM THEREOF; DECLARING THE LEASE AGREEMENT AND GUARANTY AGREEMENT OF THE CITY TO CONSTITUTE LEASE RENTAL DEBT OF THE CITY; APPROVING THE TERMS OF THE NOTE TO BE ISSUED BY THE AUTHORITY IN CONNECTION THEREWITH AND SPECIFYING THE SECURITY THEREFOR; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE PROPOSAL OF THE PURCHASER THEREOF; AUTHORIZING THE PROPER OFFICERS TO EXECUTE AND DELIVER THE LEASE AND GUARANTY; AUTHORIZING AND DIRECTING THE PREPARATION, CERTIFICATION AND FILING OF THE PROCEEDINGS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; AND APPROVING AND ADOPTING POST-ISSUANCE COMPLIANCE POLICIES.

**WHEREAS**, the City of Easton, Northampton County, Pennsylvania (the "City" or "Local Government Unit") has caused the incorporation of the Easton Municipal Authority, as municipal authority incorporated under the laws of the commonwealth of Pennsylvania (the "Authority") for the purposes set forth in the Municipalities Authorities Act, 53 Pa.C.S. sections 5601, et. seq. (the "Authorities Act") including, without limitation, the purpose of assisting the City in undertaking the Project, as described below;

**WHEREAS**, the City has determined to undertake a project (the "Project") consisting of the sale of the City's Public Works Complex located at 500 Bushkill Drive, Easton, Pennsylvania, Northampton County Tax Parcel ID # \_\_\_\_\_ (the "Leased Premises") to the Authority pursuant to an Agreement of Sale between the Authority, as purchaser, and the City, as seller (the "Agreement of Sale") and the concurrent leasing of

the Leased Premises back from the Authority pursuant to a Lease Agreement (the "Lease Agreement");

**WHEREAS**, the Authority and City have received realistic cost estimates through actual bids, option agreements or professional estimates from persons qualified by experience as to the costs of the Project, the total estimated cost of which is not less than \$3,220,000;

**WHEREAS**, the City has determined that the proceeds from the sale of the Leased Premises to the Authority (the "Sale Proceeds") shall be used for and towards the refunding of the Authority's Guaranteed Lease Revenue Note, Series of 2010, the proceeds of which were used for and towards the payment of City indebtedness issued for the payment of a certain legal settlement amount (the "Use of Sale Proceeds");

**WHEREAS**, the Authority proposes to issue its Guaranteed Lease Revenue Note, Series of 2014 (the "Note") to finance its acquisition of the Leased Premises and to pay the costs of issuance of the Note in the aggregate principal amount of \$3,220,000 in accordance with the Authorities Act;

**WHEREAS**, the City and the Authority have retained VALCO Capital, Ltd. as financial consultant (the "Financial Consultant") in connection with the Project and the issuance of the Note;

**WHEREAS**, the Authority, as lessor, and the City, as lessee, have determined to enter into the Lease Agreement, whereunder the Authority agrees, among other things, to lease the Leased Premises to the City upon the terms set forth therein;

**WHEREAS**, pursuant to the Lease Agreement, the City shall acknowledge that it has a contractual obligation thereunder to make rental payments (the "Rentals") to the Authority at such times and in such amounts as shall be sufficient for the Authority to make all payments of principal and interest under the Note as the same shall become due and that, in order to make such payments under the Lease Agreement it must appropriate sufficient sums for the payment of the Rentals in its annual budgets, and as security for such budgeting and appropriation the City irrevocably pledges its full faith, credit and taxing power;

**WHEREAS**, the Authority will assign its right, title and interest in and to the Lease Agreement and all Rentals to the Purchaser pursuant to an Assignment, to be dated as set forth herein (the "Assignment");

**WHEREAS**, as additional security for the payment of the Note when due by the Authority, the City has determined to execute and deliver to [Bank], as purchaser of the Note ("Purchaser"), a Guaranty Agreement (the "Guaranty Agreement"), pursuant to which the City unconditionally guarantees for the benefit of Purchaser the full payment of the principal of and interest on the Note, and covenants that it shall appropriate and duly and punctually

pay or cause to be paid the full amount of such principal and interest on the dates and at the places and in the manner stated in the Note, and for such budgeting, appropriation and payment the City has pledged its full faith, credit and taxing power;

**WHEREAS**, upon the advice of the Financial Consultant, the Authority and the City have determined that it was in the best interests of the Authority and the City for the Authority to pursue a negotiated bid for the Note from Purchaser, and as a result the Purchaser was requested to present the Authority and the City with a proposal for the purchase of the Note (the "Proposal"); and

**WHEREAS**, the Purchaser submitted its Proposal for the purchase of the Note at this meeting and, after consultation with the Financial Consultant, the City believes that it is in the best interest of the City for the Authority and the City to accept the Proposal and for the Authority to proceed with the sale of the Note to the Purchaser pursuant thereto; and

**WHEREAS**, the City has determined and now desires to authorize and to approve all of such actions as shall be necessary and appropriate to facilitate the issuance of the Note, the execution and delivery of the Agreement of Sale, Lease Agreement, Guaranty Agreement, Proposal and any other loan and other documents required by Purchaser in connection therewith (collectively, the "Transaction Documents") and the undertaking of the Project, all in accordance with the Pennsylvania Local Government Unit Debt Act, as codified by the Act of December 19, 1996 (P.L. 1158, No. 177) (the "Act") and other applicable law;

NOW THEREFORE, BE IT ENACTED, by the Council of the City, that:

**SECTION 1. Authorization of Project.** The City hereby approves the Project described in the recitals hereto and authorizes the sale of the Leased Premises by the City to the Authority pursuant to the Agreement of Sale and the lease back of the Leased Premises from the Authority to the City pursuant to the Lease Agreement. The Agreement of Sale and the Lease Agreement shall be substantially in the forms attached hereto as Exhibits "A" and "B", respectively, with such changes therein as may be made and approved by the City's Solicitor and the officers of the City executing the same pursuant to the authority of this Ordinance. The City shall take all action necessary to consummate the sale and leaseback of the Leased Premises pursuant to the Agreement of Sale and Lease Agreement. Once fully executed, copies of the Agreement of Sale and Lease Agreement shall be delivered to the City Clerk and shall be attached to this Ordinance and are hereby made a part hereof by this reference.

**SECTION 2. Acceptance of Proposal and Issuance by Authority of the Note.** The City hereby accepts and approves the Proposal of the Purchaser for the purchase of the Note of the Authority in the form of Exhibit "D" hereto, pursuant to which the Authority incurs indebtedness in the aggregate principal amount of \$3,220,000 pursuant to the Authorities Act by issuance of the Note, an assignment of the Authority's rights, title and interest in, to and under the Lease Agreement and all Rentals due thereunder to the Purchaser and the issuance of the Guaranty Agreement to the Purchaser. The Note is to be sold to the Purchaser at a price of \$3,220,000, and dated the date of delivery.

The Mayor or Deputy Mayor and City Clerk, or Assistant City Clerk in the absence of the City Clerk, respectively, or and duly appointed successors, as the case may be, are hereby authorized and directed to accept, execute and deliver the Proposal, to authorize the execution and delivery of the Transaction Documents upon settlement thereof and to execute all other documents and take all other actions necessary for the issuance of the Note and consummation of the Project. The City consents to and approves the assignment of the Authority's interest in the Lease Agreement, and rentals thereunder, to the Purchaser.

The Guaranty Agreement shall be substantially in the form of Exhibit "C" hereto, with such changes therein as may be made and approved by the City's Solicitor and the officers of the City executing the same pursuant to the authority of this Note. The City shall take all action necessary to consummate the transactions contemplated by the Transaction Documents. Once fully executed, copies of the Transaction Documents shall be delivered to the Clerk of the City and shall be attached to this Ordinance and are hereby made a part hereof by this reference. The officers of the City are hereby authorized to deliver the Guaranty Agreement to the Purchaser upon the Authority's receipt of the principal amount of the Note and upon compliance with all of the conditions precedent to such delivery required by the Act, this Ordinance and the Proposal.

**SECTION 3. Classification as Lease Rental Debt.** The obligations of the City hereunder and under the Lease Agreement and Guaranty shall be incurred as and shall constitute lease rental debt of the City.

**SECTION 4. Useful Life.** The realistic estimated useful life of the Project is not less than 15 years.

**SECTION 5. Rentals.** The semiannual payments to be paid by the City under the Lease Agreement and the Guaranty Agreement are set forth on Exhibit "E" hereto.

**SECTION 6. Execution of Debt Statement and Note and Filing of Debt Proceedings.** The Mayor and City Clerk of the Council-or the Deputy Mayor or Assistant City Clerk, in the absence of the Mayor or City Clerk, respectively, or any duly appointed successors, as the case may be, are hereby directed to prepare and certify and to file the debt statement required by Section 8110 of the Act, to execute and deliver the Lease Agreement and Guaranty Agreement evidencing the lease rental debt to be incurred, and to prepare and certify all filings required pursuant to Section 8111 of the Act, pertaining to submission of the Pennsylvania Department of Community and Economic Development (the "Department"), of the transcript of the proceedings, which shall include certified copies of this Ordinance, proofs of proper publication, the accepted Proposal for the purchase of the Note and such other documents as may be necessary in connection with the same and to take all such further action and to execute and deliver such other documents as may be necessary or appropriate to comply with all requirements of the Act or to carry out the intent and purposes of this Ordinance.

**SECTION 7. Covenant to Pay Rentals and Note.** The City covenants that, to the fullest extent authorized under law:

(a) The amount of the Rentals and other sums payable in each fiscal year under the Lease Agreement and the Guaranty Agreement shall be included in the City budget for that year;

(b) The City shall appropriate such amounts from its general revenues necessary for the payment of such Rentals and other sums;

(c) It shall duly and punctually pay, or cause to be paid from any sinking fund or any of its revenues or funds, the Rentals and all other sums payable by the city under the Lease Agreement and the Guaranty Agreement, to the extent of its obligation, on the dates, and at the places in the manner stated therein, according to the true intent and meaning thereof; and

(d) For such payment, budgeting and appropriation the City herewith irrevocably pledges its full faith, credit and taxing power.

**SECTION 8. Sale of Note.** In compliance with Section 8161 of the Act, the Council hereby determines that a private sale by negotiation is in the best financial interest of the Authority and City. The Note shall be sold at private sale by negotiation upon receipt of acceptable proposals for the purchase thereof, which proposal shall be in compliance with the provisions of the Act.

**SECTION 9. Execution, Authentication and Delivery of Lease Agreement and Guaranty Agreement.** The Agreement of Sale, Lease Agreement and Guaranty Agreement shall be executed either manually or by facsimile by the Mayor or Deputy Mayor and shall have the corporate seal or facsimile thereof of the City affixed thereto and be duly attested by the City Clerk or Assistant City Clerk (or any acting City Clerk appointed for such purpose) of the Council. Furthermore, the Mayor or Deputy Mayor and City Clerk (or any acting City Clerk appointed for such purpose) of the Council are authorized and directed to deliver the Agreement of Sale, Lease Agreement and Guaranty Agreement, but only after the Department has certified its approval pursuant to Section 8204 of the Act, and to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the issuance, sale and delivery of the Note and the consummation of the Project, all in accordance with this Ordinance, the Act and the Proposal.

**SECTION 10. Limitation on Indebtedness.** It is declared that the lease rental debt to be incurred hereby, together with any other indebtedness of this Local Government Unit, is not in excess of any limitation imposed by the Act upon the incurring of debt by the City.

**SECTION 11. Federal Tax Covenants.** The City hereby covenants with the holder from time to time of the Note that it will at all times do and perform all actions and things within its power which are necessary or desirable in order to assure that interest paid on the Note will, for purposes of federal income taxation, be and remain excludable from the gross income of the recipients thereof and that it will refrain from doing or performing any act or thing that would cause such interest not to be so excludable and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations ("Regulations") thereunder. The City further covenants with the holder from time to time of the Note that it will make no investment or other use of the proceeds of the Note or Sale Proceeds, which, if such investment or use had been reasonably expected on the date of

issuance of the Note, would cause the Note to be "arbitrage bond(s)" or "private activity bond(s)" within the meaning of the Sections 141 and 148 of the Code, and the regulations applicable thereto and that this covenant shall extend throughout the term of the Note and shall apply to all amounts which are proceeds of the Note and/or are Sale Proceeds for the purposes of said section and regulations. Neither the Director of Finance nor any other official or agent of the City shall make any investment inconsistent with the foregoing covenant. The Director of Finance and all other City officials responsible for investment shall follow the advice or direction of bond counsel for the Authority (the "Bond Counsel") as to investments, which may be made in compliance with this covenant. The appropriate officers of the City are hereby authorized to execute a tax compliance agreement (the "Tax Compliance Agreement"), to carry out the foregoing covenants. The Tax Compliance Agreement shall be substantially in the form acceptable to Bond Counsel, with such changes as may be approved by the officer executing the Tax Compliance Agreement, upon the advice of Bond counsel, such approval to be conclusively evidenced by such officer's execution of the Tax Compliance Agreement. If required under the Tax Compliance Agreement, there shall be established a "bond rebate fund", which shall be held and maintained by the City in accordance with the Tax Compliance Agreement, separate and apart from other funds of the City. The foregoing tax covenants in this Section 11 may be excused or modified if, and to the extent that, the City and the Authority receive an opinion of nationally recognized bond counsel that such absence of compliance will not adversely affect the exemption from federal income taxation of interest on the Note.

**SECTION 12. Post-Issuance Compliance Policies.** The policies set forth in Exhibit "E" hereto are intended to address post-issuance compliance matters. The City hereby approves and adopts the policies set forth in Exhibit "E". These policies may be amended from time to time by resolution of the City Council.

**SECTION 13. Further Actions.** The Mayor and Deputy Mayor, the City Controller, the Director of Finance and the City Clerk (or any Acting City Clerk or Assistant City Clerk appointed for such purpose), or any duly appointed successors, as the case may be, in the name of and on behalf of the City are hereby authorized to execute any agreements, instruments or documents and to do or cause to be done any and all acts and things deemed necessary or appropriate for the carrying out of the purposes of this Ordinance and to comply with the Act.

**SECTION 14. Severability.** In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provisions, section, sentence, clause or part of this Ordinance, it being the intent of the Municipality that such remainder shall be and shall remain in full force and effect.

**SECTION 15. Repealer.** All prior Ordinances or parts thereof inconsistent herewith, are hereby repealed.

**SECTION 16. Effective Date.** This Ordinance shall take effect on the earliest date permitted by the City's Charter.

(signature page to follow)

ENACTED this \_\_\_\_ day of \_\_\_\_\_, 2014.

[SEAL]

CITY OF EASTON

Attest: \_\_\_\_\_  
(Assistant) City Clerk

BY \_\_\_\_\_  
Mayor

EXHIBIT "A"

**AGREEMENT OF SALE**

THIS AGREEMENT is made this 21<sup>st</sup> day of February, 2014, by and between the CITY OF EASTON, Northampton County, Pennsylvania ("Seller"), and the EASTON MUNICIPAL AUTHORITY, a Pennsylvania municipal authority ("Buyer").

WITNESSETH:

Intending to be legally bound hereby, the parties hereto agree as follows:

1. Premise. Seller hereby agrees to sell to Buyer, and Buyer hereby agrees to purchase from Seller, that certain parcel of land located at 500 Bushkill Drive, Easton, Northampton County, Commonwealth of Pennsylvania, Northampton County Tax Parcel Identification #L9NE4C-26-1, L9NEC-19-2, L9NE3D-10-1, L9NE3D-10-3 and L9NE4C-11-1, commonly known as Public Works Complex, as more particularly described by metes and bounds on Exhibit "A", attached hereto and made a part hereof, together with (a) any buildings and improvements located thereon; (b) any land lying in the bed of any street, road or alley, opened or proposed, abutting such land to the center line thereof; (c) any easement, privilege or right-of-way inuring to the benefit of said land; and (d) the appurtenances and hereditaments belonging or otherwise pertaining to said land ("Premises").

2. Purchase Price. The total purchase price ("Purchase Price") to be paid by Buyer for the Premises is Three Million Two Hundred Twenty Thousand Dollars (\$3,220,000), payable in cash or by cashier's, certified or title company check at Closing (hereinafter defined).

3. Title. Title to the Premises shall be conveyed as is, where is, with all faults and existing easements, encumbrances, and restrictions.

4. Conditions Precedent to Obligation. The obligations of the parties under this Agreement are conditioned upon the following, any of which may be waived in writing by Buyer:

(a) The simultaneous issuance and sale by Buyer of its Guaranteed Lease Revenue Note, Series of 2014, in the stated principal amount of Three Million Two Hundred Twenty Thousand Dollars (\$3,220,000) (the "Note"), which shall occur on or before February 21, 2014;

(b) Seller's guaranty of the payment of the Note, as evidenced by Seller's execution and delivery to [Bank] of a Guaranty Agreement dated as of February 21, 2014; and

(c) Seller's execution and delivery to Buyer of an Agreement of Lease dated as of February 21, 2014 (the "Lease") with respect to the Premises.

In the event the conditions set forth herein are not satisfied by the Closing Date, then either party may, by notice to the other party, terminate this Agreement, whereupon this Agreement shall become null and void, and neither party shall have any further obligations hereunder.

The parties shall fully cooperate with and assist each other in satisfying the contingencies set forth above, including, without limitation, executing such documents as may be required in connection with Buyer's issuance of the Note.

5. Closing. Closing ("Closing") shall take place on the date of Buyer's issuance of the Note (the "Closing Date").

6. Possession; Deed. At Closing, Seller shall execute and deliver (acknowledged where necessary) to Buyer (a) a special warranty deed conveying title to the Premises; (b) an affidavit which states that Seller is not a "foreign person" as set forth in Section 1445 of the Internal Revenue Code of 1986, as amended ("Code"); and (c) such other affidavits and documents of the Premises free and clear of the rights of, or possession by, any party other than Seller pursuant to the Lease.

7. Closing Costs. Seller shall bear all closing charges and costs in connection with this transaction.

8. Notices and Assessments. Seller, at Seller's sole expense, shall comply with the requirements of any and all notices relating to the Premises which may be issued by any public authority on or before the date of Closing and shall pay for all work and improvements done or ordered to be done on or before the date of Closing by any such public authority which may result in the imposition of a lien against the Premises.

9. Miscellaneous.

(a) This Agreement contains the entire agreement between Seller and Buyer and there are no other terms, obligations, covenants, representations, statements, or conditions, oral or otherwise, of any kind or nature whatsoever. This Agreement may be modified only by an agreement in writing between the parties hereto.

(b) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

(c) This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

(d) Tender of an executed deed and purchase money is hereby waived.

(e) The date and time for the performance of all obligations hereunder shall be deemed to be of the essence of this Agreement.

(f) This Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement,  
intending to be legally bound.

SELLER:  
CITY OF EASTON

Attest: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

BUYER:  
EASTON MUNICIPAL AUTHORITY

Attest: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT "A"  
DESCRIPTION OF PREMISES

{A3711259:1}

Exhibit "A"

ALL THOSE TWO CERTAIN tracts of land or lots of ground situate in the City of Easton, County of Northampton and State of Pennsylvania, bounded and described as follows, to wit:

No. 1. BEGINNING at a point on the South side of the Bushkill Creek at low water mark in line of lands now or late of the Estate of Michael Butz, thence along the lands now or late of the Estate of Michael Butz South 1 degree 38 minutes West 15 feet to a point in the North coping line of a stone retaining wall and in the North property line of Pearl Street, thence along the North property line of Pearl Street and along the North coping line of the stone retaining wall, the two following courses and distances: South 73 degrees 58 minutes West 100.50 feet to a point, and South 88 degrees 2 minutes West 272.80 feet to a cross-cut in line of lot of Tidewater Associated Oil Company, thence along the lot of Tidewater Associated Oil Company and along lot now or late of Nathan Sandt North 18 degrees 52 minutes West 136.70 feet to an iron pin on the West bank of the Bushkill Creek, thence continuing along lot now of Nathan Sandt and along lot of the Pearl Street Realty Company, North 10 degrees 2 minutes West 102.66 feet to an iron pin in the projection of the South property line of Spring Garden Street, thence along the projection of the South property line of Spring Garden Street and along lot of the Pearl Street Realty Company, North 10 degrees 2 minutes West, 102.66 feet to an iron pin in the projection of the South property line of Spring Garden Street, thence along the projection of the South property line of Spring Garden Street and along lot of the Pearl Street Realty Company North 86 degrees 58 minutes west 25.40 feet to an iron pin in the East property line of Locust Street, thence along the East property line of Locust Street, North 3 degrees 2 minutes East 562 feet to an iron pin in the South property line of Vine Street, thence along the South property line of Vine Street South 86 degrees 58 minutes East 77 feet to an iron pin in the West side of the Bushkill Creek, thence along the West side of the Bushkill Creek and along the lands of the Easton Cemetery, the four following courses and distances: North 25 degrees, 20 minute East, 164.80 feet to a point; thence North 15 degrees 21 minutes East 130.50 feet to a point; and North 31 degrees 53 minutes East 147.20 feet to a point, and North 47 degrees 1 minute East 306.20 feet to an iron pin, thence crossing the Bushkill Creek, South 38 degrees 40 minutes East 81 feet to an iron pin on the East side of the Bushkill Creek, thence along the East side of the Bushkill Creek and along the lands of Lehigh Valley Railroad (Easton and Northern Railroad Co.) the seven following courses and distances; South 44 degrees 17 minutes West 230.30 feet to an iron pin, South 34 degrees 21 minutes West 151 feet to an iron pin (formerly an oak tree), South 32 degrees 45 minutes West 91.90 feet to an iron pin, South 18 degrees 3 minutes West 172.30 feet to an iron pin, South 13 degrees 2 minutes west 126.20 feet to an iron pin, South 1 degree 33 minutes West 78.10 feet to an iron pin and South 16 degrees 55 minutes East 68.50 feet to an iron pin in the intersection of the North property line of Valley Street and the West property line of a forty feet wide private street, thence along the West property line of the forty feet wide private street,

{A3711259:1}

South 7 degrees 31 minutes East 195 feet to a point in the East bank of a headrace and in the South property line of a twenty-five feet wide private street, thence along the South property line of the twenty-five feet wide private street (passing through an iron pin at seven feet), North 82 degrees, 29 minutes East 260 feet to an iron pin, thence continuing along the South property line of the twenty-five feet wide private street, the two following courses and distances: North 60 degrees 8 minutes East 125.30 feet to a railroad spike and North 48 degrees 19 minutes East 127.40 feet to a nail in line of lot of Ida Goldman, thence along lot of Ida Goldman and along the Easterly faces of an ornamental brick wall and a concrete warehouse South 42 degrees 5 minutes East 144.30 feet to a spike in a railroad tie, thence continuing along lot of Ida Goldman, North 50 degrees 6 minutes East 86.15 feet to a nail in the foundation wall in line of property late of J. E. Stair Estate, thence along property late of J. E. Stair Estate and crossing the Bushkill Creek, South 41 degrees, 49 minutes East 95 feet to an iron pin on the South side of the Bushkill Creek, thence along the South side of the Bushkill Creek the for following courses and distances: South 41 degrees 17 minutes West 134.80 feet to a point, South 45 degrees 18 minutes West 133.60 feet to a point, South 51 degrees 40 minutes West 124 feet to a point and South 66 degrees 24 minutes west 195.80 feet to the point or place of Beginning. Containing 9.361 acres.

No. 2. BEGINNING on the southerly side of Bushkill Drive at a point, the Northeast corner of land of Ida Goldman, distant 30 feet Southwardly from the North curb of said Drive; thence along the southerly side of said Drive, N 71° 59' E, 95.1 feet to a point; thence by a line curving to the right with a radius of 217.65 feet a distance of 139.9 feet to a point on the Westwardly side of the bridge crossing the Bushkill Creek west of North Fourth Street; thence along the Westwardly side of the said bridge S 57° 04' E, 18 feet, more or less, to the northerly side of said Creek; thence in a Westwardly direction along the northerly side of said Creek 15 feet, more or less, to a point; thence in said Creek the following three courses and distances: S 66° 30' E, 25 feet to a point, S 39° 00' W, 36.3 feet to a point, and N 67° 00' W, 6.6 feet to a point; thence in and along said Creek S 52° 00' W, 148.5 feet to a point along the northern side of said Creek; thence along Tract No. 1 above described and land of the said Ida Goldman N 39° 30' W, 164.75 feet to a point, the place of beginning.

Tract No. 2 above described being subject to the Right-of-Way acquired by the Commonwealth of Pennsylvania, Department of Highways, by the condemnation referred to in the Drawing entitled: "Department of Highways Drawing for Construction by the State Highway and Bridge Authority, Appropriation and Condemnation of Right-of-Way Route No. L. R. 773, Section 2A, recorded in the Office of the Recorder of Deeds of said Northampton County in Map Book 3, page 3.

The portion of said Tract No. 2 covered by said condemnation being bounded and described as follows: Beginning at a point in the southerly side of the former Bushkill Drive at a point in line with the northerly side of Pennsylvania Highway Route #773 Section 2A, thence along the southerly side of the former Bushkill Drive, N 71° 59' E, 24 feet to a point, thence by a line curving to the right with a radius of 217.65 feet a distance of 139.9 feet to a point on the westwardly side of the bridge formerly crossing the Bushkill Creek west of North Fourth Street, thence along the westwardly side of said bridge S 57° 04' E, 18 feet more or less, to the northerly side of the Bushkill Creek, thence in a westwardly direction along said Creek 15 feet more or less to a point in the northerly side of said Highway, thence in a northwestwardly direction along said Highway 165.0 feet to the point the place of beginning.

The portion of said Tract No. 2 not covered by said condemnation being bounded and described as follows: Beginning at a point in the southerly side of Pennsylvania Highway Route #773, Section 2A, and in line of land of Ida Goldman, thence in a southeastwardly direction along the southerly side of said Highway 190.0 feet to a point along the Bushkill Creek, thence along said Creek S 52° 00' W, 136.0 feet to a point in line of Tract No. 1 above described, thence along said Tract No. 1 and land of Ida Goldman, N39° 30' W, 130.0 feet to the point, the place of beginning.

TAX PARCEL IDENTIFIER NUMBERS: L9NE4C-26-1; L9NE4C-19-2; L9NE3D-10-1; L9NE3D-10-3; and L9NE4C-11-1.

BEING the same premises which The City of Easton, by Confirmatory Deed dated June 24, 2002, and recorded in the Office for the Recording of Deeds in and for the County of Northampton in Deed Book Vol. 2002-1, page 167304, granted and conveyed unto The City of Easton.

EXHIBIT "B"

AGREEMENT OF LEASE

Dated February 21, 2014

From

EASTON MUNICIPAL AUTHORITY,  
as Lessor

To

CITY OF EASTON, Northampton  
County, Pennsylvania, as Lessee

SECURING  
\$3,220,000  
GUARANTEED LEASE REVENUE NOTE,  
Series of 2014

**THIS AGREEMENT OF LEASE**, made and entered into as of February 21, 2014 (the "Lease") by and between the **EASTON MUNICIPAL AUTHORITY**, a body corporate and politic, organized and existing under and by virtue of the laws of the Commonwealth of Pennsylvania, (the "Authority"), as lessor, party of the first part, and the **CITY OF EASTON** (the "City"), which is a municipality duly organized and existing under the laws of the Commonwealth of Pennsylvania, as lessee, party of the second part.

WITNESSETH THAT:

**WHEREAS**, the Authority was created, and is existing under the Commonwealth of Pennsylvania (the "Commonwealth") Municipalities Authorities Act, 53 Pa.C.S. §§5601 et seq., as amended (the "Act"); and

**WHEREAS**, the City has requested the Authority to undertake the financing of a project (the "Project") consisting of the (i) purchase by the Authority of the City's Public Works Complex located at 500 Bushkill Drive, Easton, Pennsylvania (the "Premises") pursuant to an Agreement of Sale between the Authority and the City dated February 21, 2014 (the "Agreement of Sale") and the concurrent lease of the Premises back by the City from the Authority to the City pursuant to the terms of this Lease; and (ii) paying the costs and expenses of issuing the Note (as such term is hereinafter defined); and

**WHEREAS**, the Authority is authorized by the Act to finance the Project; and

**WHEREAS**, the Authority will finance the Project through the issuance of its Guaranteed Lease Revenue Note, Series of 2014 (the "Note"), pursuant to the terms of the proposal from [Bank] ("Lender") dated January \_\_, 2014 (the "Proposal"); and

**WHEREAS**, in furtherance of the Project and as required by the terms of the Agreement of Sale, the City will, on or before the date of execution hereof, transfer or cause to be transferred to the Authority, title in fee simple to the real property (the "Premises") described in Exhibit "A", which is attached hereto and incorporated herein by this reference, free from all liens or encumbrances except such liens or encumbrances or other defects of title which are permitted under the Agreement of Sale; and

**WHEREAS**, this Lease and the Assigned Revenues (as such phrase is defined in Section 8 hereof) payable hereunder will be assigned to the Lender under an Assignment of Lease and Rents as security for the Note; and

**WHEREAS**, the City, as lessee, wishes to lease the Premises from the Authority, as lessor, and the Authority, as lessor, wishes to lease the same to the City, as lessee, upon the terms, covenants and conditions as hereinafter provided; and

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein and intending to be legally bound hereby, the **AUTHORITY**, as lessor, **HEREBY** demises and **LEASES** unto the **CITY**, as lessee, the Premises described in Exhibit "A", together with the improvements and additions erected thereon and all fixed and all movable fixtures, equipment, furnishings, replacements, renewals and improvements thereof to be used exclusively for purposes approved under applicable law, **TO HAVE AND TO HOLD** the same unto the City for a term beginning February 21, 2014, and ending February 15, 2020, in accordance with each and all of the following conditions:

**SECTION 1. DEFINITIONS.** All capitalized terms and phrases used herein which are not otherwise defined, shall have the meanings ascribed to such terms and phrases in the Note and/or

other documents and agreements executed and delivered in connection therewith (collectively, the "Loan Documents"), unless the context or use clearly indicates another or different meaning or intent. The rules of interpretation and construction set forth in the Loan Documents shall also be applicable hereto.

**SECTION 2. TRANSFER OF REAL ESTATE.** Pursuant to the terms of the Agreement of Sale, the City will, on or before the date of execution hereof by the parties hereto, transfer or cause to be transferred to Authority, title in fee simple to the Premises described in Exhibit "A", free from all liens or encumbrances except such liens or encumbrances or other defects of title which are permitted under the Agreement of Sale.

**SECTION 3. POSSESSION.** The City shall be entitled to possession of the Premises for use as a municipal building. The City covenants and agrees to pay the Rentals (as such term is defined in Section 8 hereof) and other sums due and payable hereunder in the full amount and in a timely fashion.

The City shall not assign this Lease nor sublet the Premises except with the prior written approval of the Authority, or its assigns, and shall not permit the use of said Premises by anyone other than the City or any approved assignee or sublessee, and the agents and servants of the City or any approved assignee or sublessee; provided, however, that nothing herein shall prohibit the occasional use of the Premises by such public and private groups as the City is lawfully entitled to permit to use their other separately owned properties.

**SECTION 4. TERMINATION- PURCHASE OF PREMISES.** At the expiration or earlier termination of this Lease, the Authority shall sell to the City, and the City shall purchase from the Authority, for a purchase price of One Dollar (\$1.00), title in fee simple to the Premises, without any further notice which now or hereafter may be required by the laws of the Commonwealth, the requirements of any such notice being specifically waived.

**SECTION 5. MAINTENANCE.** The City agrees that in addition to the payment of said Rentals herein specified it will keep and maintain at its own expense, the Premises, or cause the same to be kept and maintained, in a state of good repair without cost to the Authority and will pay, or cause to be paid, all costs and charges necessary for such maintenance and repair and will replace, or cause to be replaced, all equipment and furnishings from time to time as may be necessary. It is understood that this provision applies to all repairs, major as well as minor, without exception. In the event the City shall fail to so maintain the Premises, the Authority may, but shall not be obligated to, undertake or cause to be undertaken, in its sole discretion, any maintenance, repair or replacement which it deems necessary, and the costs and expenses of any such undertaking by the Authority shall be immediately due and payable by the City and shall be paid by the City upon written demand of the Authority and, absent such payment, shall constitute additional Rentals due hereunder, in accordance with Section 8.

**SECTION 6. TAXES, ASSESSMENTS AND UTILITIES.** The City agrees that it shall pay, or cause to be paid, all rents, charges and other amounts which shall become due for water, sewer services, gas, electricity or other utilities and services furnished and supplied to and upon any part of the Premises. The City further agrees to pay any levies, taxes, assessments or other charges to which the Premises, this Lease or said Rentals payable hereunder may at any time be subject or to which the Authority maybe subject as owner and/or lessor of the Premises.

If any of the aforementioned amounts are not paid by the City, the Authority may, but shall not be obligated to, pay, in its sole discretion, the same on behalf of the City and any such payment by the Authority shall be immediately due and payable by the City and shall be paid by

the City upon written demand of the Authority and, absent such payment, shall constitute additional Rentals due hereunder, in accordance with Section 8 hereof.

The City agrees that the Authority, by its representatives, may, at any reasonable time or times, enter upon the Premises or any part thereof for the purpose of examining the same. The Authority agrees that, to the extent possible, it will undertake any such examination (or cause such examination, to be undertaken) in a manner or manners which will not cause undue disruption to the City's activities.

**SECTION 7. INSURANCE.** The City covenants and agrees to maintain, or cause to be maintained, at its sole cost and expense, fire and casualty insurance with extended coverage on the Premises, including, all buildings, structures, improvements, equipment, furnishings and personal property on the Premises. Said insurance shall be in an aggregate amount of not less than the insurable value of such buildings, structures, improvements, equipment, furnishings and personal property or an amount sufficient to meet all co-insurance requirements, whichever is higher. Said insurance shall be written in the names of the City, and the Authority, so long as the Note is still outstanding, and, thereafter with loss payable to the Authority and the City as their interests may appear, except that where the loss is not in excess of \$100,000, such loss shall be payable to the City. It is understood and agreed that said Rentals and other sums payable hereunder shall continue to be payable at the time and in the amounts herein specified, without abatement, irrespective of whether or not any or all of the buildings, structures, improvements, furnishings, personal property or equipment on the Premises shall have been wholly or partially destroyed.

The City covenants and agrees to maintain, or cause to be maintained, at its sole cost and expense during the term of this Lease, such other insurance, including but not limited to commercial general liability insurance, with respect to the Project in such amounts and against such hazards as are ordinarily insured against by persons owning properties of a similar nature in the same or similar localities and add the Authority as an additional insured under such insurance policy or policies. In the event such insurance proves inadequate, the City shall indemnify and save the Authority harmless from all liability in relation to any such claim for injury or damage and hereby specifically releases the Authority from any and all of such liability. All policies of insurance coverage required under this Section 7 shall require that written notice shall be given to the City, the Authority and the Lender not less than thirty (30) days prior to termination, cancellation or non-renewal.

The Authority shall not be liable for any claim relating to the Premises, including, without limitation, any claim for injury or damage to any person or to any property at any time on the Premises, or any cause or claim whatever which may arise from the use, ownership, possession or condition of the Premises or buildings or from ice thereon, or from water, rain or snow which may leak into, issue or flow from any part of the Premises or said buildings, or from the pipes or plumbing of the same, or from any other place or quarter, or from any other cause, during the term of this Lease. The City hereby specifically releases the Authority from any and all of such liability.

**SECTION 8. RENTALS.** The City acknowledges that it has a contractual obligation hereunder to make rental payments (the "Rentals") to the Authority during the term of this Lease. The City agrees that the City shall appropriate and pay to the Authority, or its assigns, the Rentals due hereunder in the amounts set forth in the schedule attached hereto and marked Exhibit "B" on the dates specified therein, during the term of this Lease (the "Assigned Revenues").

**The Authority and the City each acknowledge that this Lease and the obligations of the City hereunder to pay the Rentals (and any other sums due hereunder) constitute a lien or charge upon the funds of the City to pay the Rentals (and any other sums due hereunder) and that this Lease and the obligations of the City hereunder constitutes a debt or general obligation of the City. It is further acknowledged by the Authority and the City that the full faith and credit and the taxing power of the City is hereby pledged to the payment of the Rentals (and any other sums due hereunder).**

Said Rentals are acknowledged and intended to consist of principal and interest components equal to the principal of and interest on the Note as such principal matures, and as such interest becomes due and payable. Exhibit "B" sets forth the portions of each rental payment designated as interest and principal. Should, by reason of optional redemption, purchase or other cancellation of any Note, the amounts specified exceed the amount required for the payment of such principal and interest, the said amounts specified in Exhibit "B" shall be reduced to the extent of such excess.

The City shall have the right to require prepayment of the Note, provided that the City provide the source of funds for the prepayment.

The City agrees to pay to the Authority or its assigns, as additional Rentals hereunder: (i) any amounts necessary to comply with the terms of the Loan Documents and Section 17 hereof; (ii) any amounts paid by the Authority on behalf of the City hereunder or any costs incurred by the Authority and required to be reimbursed to the Authority from the City in accordance with the terms hereof; and (iii) the annual fees and expenses of the Authority.

**SECTION 9. AUDITS.** The City agrees to furnish the Authority and the Lender with copies of the City's annual financial statements within one hundred and fifty (150) days of the end of each fiscal year of City during the term of this Lease or as soon as such financial statements are available, whichever is later. In addition, for each year during the term of this Lease, the City shall submit to the Authority and Lender the City's annual budget within ten (10) days after it is approved by City Council.

**SECTION 10. EVENTS OF DEFAULT.** (i) Any one or more of the following events shall constitute an "Event of Default" hereunder:

(1) The City fails to make payment of any Rental or other amount due hereunder in accordance with the terms hereof, or

(2) Except for events of default set forth in (3) below, the City shall fail or refuse to comply with any of its covenants set forth herein; or

(3) The City shall default in the due and punctual performance of any other agreements or obligation of the City contained in this Lease, which default can be remedied by the City, and such default shall continue for 60 days after written notice specifying such default and requiring the same to be remedied shall have been given to the City by the Authority, or

(4) If an Event of Default shall have occurred and be continuing under the Note and as a result of such Event of Default the Note shall have been declared due and payable by acceleration in accordance with its terms.

(ii) If an Event of Default has occurred and is continuing, the Authority (or the Lender as its assignee) may, in addition to its other rights and remedies as may be provided herein or may exist at the time at law or in equity, exercise anyone r more of the following remedies:

(a) Upon notice to the City, declare all sums due or to become due hereunder to be immediately due and payable; or

(b) Upon notice to the City, declare this Lease terminated, forfeited and void and foreclose or terminate the estate or interest of the City in this Lease and the Premises; or

(c) By suit, action or proceeding at law or in equity, enforce all rights of the Authority, and require the City to carry out any agreements with or for the benefit of the owner of the Note and to perform its duties under the Act or this Lease; or

(d) Upon notice to the City, the Authority shall be entitled to the appointment of a receiver, for its security and benefit, of the Premises (including the buildings and the improvements thereon) and of the rents, issues, profits and other income thereof, with such ample powers as the court making such appointment shall confer.

(iii) No failure by the Authority to insist upon strict performance hereof or to exercise any remedy upon the occurrence of an Event of Default shall constitute a waiver of such default, or a waiver or modification of any provision hereof. Upon the occurrence of an Event of Default, Authority may exercise any one or more of the remedies available to it hereunder separately or concurrently and as often as required to enforce the City's obligations hereunder. In addition to the other remedies provided herein, the Authority shall be entitled to restraint by injunction of the violation, or attempted or threatened violation, by the City of any of the covenants, conditions or provisions hereof, or to a decree compelling specific performance of any of such covenants, conditions or provisions.

The waiver or forfeiture by the Authority of one or more of such Events of Default shall not constitute a waiver of any subsequent Event of Default or prevent the Authority from exercising any and all available remedies in the event of the occurrence of such a subsequent Event of Default.

The City hereby waives any exemption or immunity law or laws now in force or hereafter enacted.

(iv) All rights and remedies herein given or granted to the Authority are cumulative, non-exclusive and in addition to any and all rights and remedies that the Authority may have or be given by reason of any law, statute, ordinance or otherwise.

(v) If the City shall default under any of the provisions of this Lease and the Authority or the Lender shall employ attorneys or incur other expenses for the collection of amounts payable hereunder or for the enforcement of performance or observance of any obligation or agreement on the part of the City contained in this Lease, the City will on demand therefor reimburse the Authority or the Lender, as the case maybe, for the reasonable fees and expenses of such attorneys and such other reasonable expenses so incurred.

**SECTION 11. ASSIGNMENT.** It is understood and agreed that the Authority, as of the date of this Lease, will assign all its right, title and interest in and to the Lease (except for its rights to receive notices hereunder, its rights to indemnification and its rights to receive the payment of its fees and expenses by the City) and the Rentals and will assign the Assigned Revenues to the Lender under the Loan Documents, and the City hereby consents to said assignment and pledge and agrees to pay or cause to be paid all Rentals payable hereunder in accordance therewith.

**SECTION 12. SALES OF CERTAIN PROPERTY.** The City may from time to time sell or otherwise dispose of any fixtures, chattels or equipment included in the Premises which, in the judgment of the City, shall no longer be used or usable as part of the Premises, but only if the City shall replace such fixtures, chattels or equipment with similar fixtures, chattels or with other fixtures, chattels or equipment which are useful for municipal purposes and are of approximately the same value. The City may retain the proceeds of any such sale or other disposition.

**SECTION 13. IMPROVEMENTS.** If the City shall have first obtained a certificate executed by the Chairman or Vice Chairman of the Authority, certified by its Secretary, consenting thereto, it may from time to time: (i) construct or otherwise acquire permanent improvements, additions, extensions or betterments to real or fixed property included in the building and facilities to be situated on the Premises; or (ii) make any changes and alterations in said building and facilities structural or otherwise. All renewals and replacements of the said building and improvements, and all materials incorporated in the said building during the repair thereof, and all improvements, additions, extensions or betterments to real or fixed property included in the said building, which shall be constructed or otherwise acquired by the City, shall forthwith become the property of the Authority and shall thereafter constitute a part of the Premises for all of the purposes of this Lease.

**SECTION 14. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE LESSEE.** The City represents, warrants and covenants to the Authority as follows:

(i) The City is a city duly organized, validly existing and in good standing under the laws of the Commonwealth with full power and legal right to enter into this Lease and to perform its obligations hereunder. The execution, delivery and performance of this Lease by the City and the undertaking of the Project have been duly authorized by all necessary action;

(ii) This Lease constitutes the legal, valid and binding obligation of the City, enforceable in accordance with its terms (subject, as to enforcement of remedies, to any bankruptcy, insolvency, reorganization, or similar laws and to equitable principles affecting creditors' rights generally);

(iii) Neither the execution and delivery of this Lease, the consummation of the transactions contemplated hereby or the undertaking of the Project, nor the fulfillment of or compliance with the terms and conditions of this Lease by the City will conflict with, violate or constitute a breach of any of the terms, conditions or provisions of, or constitute a default under, any indenture, lease, contract, agreement or any other instrument, or any existing law, rule or regulation, or decree or order of any court, to which the City is subject or by which any of its property is bound;

(iv) There is no action, suit, proceeding, claim, inquiry or, to the best of the knowledge of the City, investigation, at law or in equity, pending or, to the best of the knowledge of the City, threatened against the City, before or by any court, public body, agency or administrator, seeking to enjoin or prevent the issuance or use of the proceeds of the Note for the Project, the execution and delivery by the City of this Lease or wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the City, or the validity or enforceability of the Note, the Loan Documents or this Lease;

(v) All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the City of its obligations hereunder and otherwise required by the terms and provisions of this Lease, have been duly obtained or to the knowledge of the City, can and will be obtained by the City on or prior to the time when needed;

(vi) The City acknowledges that this Lease requires it to pay the Rentals, all expenses, taxes, fees, insurance premiums, rebate payments and cash associated with the Project and the Premises without the right of offset.

**SECTION 15. REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY.**

The Authority represents, warrants and covenants to the City as follows:

(i) The Authority is a body corporate and politic created by and existing under the laws of the Commonwealth with full power and authority to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder and has duly authorized the execution and delivery of this Lease, the Note, the Loan Documents to which it is a party and the assignment of this Lease to the Lender.

(ii) The issuance and sale of the Note, the execution and delivery of this Lease, the assignment hereof to the Lender, and the Loan Documents to which it is a party, and the performance of the covenants and agreements of the Authority contained in this Lease, the assignment thereof to the Lender, and the Loan Documents to which it is a party, have been duly authorized by all necessary action, and all other acts and things required under the laws of the Commonwealth to make this Lease, the assignment hereof to the Lender, the Note and the Loan Documents to which it is a party, the valid and legally binding obligations of the Authority enforceable in accordance with their terms (subject, as to enforcement of remedies, to any bankruptcy, insolvency, reorganization, or similar laws or equitable principles affecting the enforcement of creditors' rights generally) have been completed;

(iii) All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the Authority of its obligations hereunder or under the Note or the Loan Documents have been duly obtained;

(iv) There is no action, suit or proceeding, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Authority, threatened against the Authority, affecting the existence of the Authority or in any way contesting or affecting the validity or enforceability of this Lease, the assignment hereof to the Lender, the Note or the Loan Documents, or contesting the power of the Authority to finance the costs of the Project.

**SECTION 16. COMPLIANCE WITH THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.**

(i) The City and the Authority covenant not to take or permit or fail to take or permit any action, use, application, investment or reinvestment of the proceeds of the Note in connection with the Project, if such action or failure to take action would cause the interest on the Note to be subject to Federal income tax or included in gross income for Federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") or would cause the Note to be "arbitrage bonds" within the meaning of Section 148(a) of the Code nor will the City operate the Premises or permit or cause the same to be operated in any manner which would cause the interest on the Note to be subject to Federal income tax in the hands of the owners of the Note or take or permit any action which will result in the Note becoming "private activity bonds" as defined in Section 141 of the Code. To that end, the City and the Authority covenant that they will comply with all requirements of Section 148 of the Code to the extent applicable to the Note and the proceeds thereof.

(ii) The City and the Authority, as applicable, further covenant that:

(1) Not more than ten percent (10%) of the proceeds of the Note (the "Allowable Portion") will be used directly or indirectly in any trade or business carried on by any person other than a governmental unit;

(2) If the Allowable Portion is used directly or indirectly in any trade or business carried on by any person other than a governmental unit, the amount used: (a) for purposes that are not related to the purposes for which the Note is being issued; and (b) for purposes that are disproportionate but related to the purposes for which the Note is being issued will not exceed five percent (5%) of the proceeds of the Note. For purposes of this subsection (2), the terms "related" and "disproportionate" shall have the meanings given thereto in Section 141 (b) (3) of the Code;

(3) If proceeds of the Note are used directly or indirectly to make or finance loans to any person other than a governmental unit, the amount so used will not exceed five percent (5%) of the proceeds of the Note;

(4) The City shall take such action as shall be necessary, or as the Authority may reasonably request, and shall cooperate with the Authority, to enable the Authority to comply with the provisions of the Code to the extent that such compliance is required to maintain the exclusion of interest on the Note from gross income for Federal income tax purposes.

**SECTION 17. REBATE.** The Code provides that certain interest income earned on the investment of the proceeds of the Note must be rebated and/or paid as yield reduction amounts to the United States at the times and in the manner set forth in the Code. The City covenants that it shall cooperate with the Authority and Lender in determining the amounts to be rebated and/or pay yield reduction amounts (if any) and in paying such rebate amounts and/or yield reduction amounts to the United States, and covenants to pay or cause to be paid, as additional Rentals hereunder in accordance with Section 8 hereof, all such amounts due. In the event the City receives from the Lender any amounts which should have been rebated or paid as yield reduction amounts to the United States, the City agrees, upon written request of the Authority or the Lender, to return such amounts to the Lender or Authority, as instructed, for rebate and/or yield reduction amounts to the United States in accordance with the Code. Any monies remaining in any rebate fund, after payment in full of the Note and after payment of the final amount required to be rebated and/or paid as yield reduction amounts to the United States shall have been made or received for such purpose, shall be paid over to the City.

**SECTION 18. SEVERABILITY.** If any term or provision hereof or the application thereof shall for any reason be held to be invalid or unenforceable, the remaining terms and provisions and all other applications of such term or provision shall not be affected thereby, and each term and provision hereof shall be valid and enforceable to the fullest extent permitted by law.

**SECTION 19. EXCULPATION AND INDEMNITY.** (i) In the exercise of the power of the Authority and any of its members, officers, employees and agents (an "Authority Representative") hereunder, including without limitation the application of monies and the investment of funds, neither the Authority nor an Authority Representative shall be accountable to the City for any action taken or omitted by it or its members, officers, employees and agents in good faith and reasonably believed by it or them to be authorized or within the discretion or rights or powers conferred upon it or them hereunder. The Authority and Authority

Representatives shall be protected in its or their acting upon any paper or document believed by it or them to be genuine, and it or they may reasonably rely upon the advice of Counsel and may but need not require further evidence of any fact or matter before taking any action. No recourse shall be had by the City for any claims based on this Lease or on the Loan Documents against any Authority Representative alleging personal liability on the part of such person.

The City, to the extent not prohibited by law, will indemnify, hold harmless and release the Authority and each Authority Representative against and from any and all claims, losses, damages, liabilities and expenses, including out-of-pocket expenses and legal fees and expenses (a "Loss") to which the Authority or any Authority Representative may become subject arising out of or based upon any alleged act or omission in connection with the Project, including without limitation any Loss which arises out of or is based upon: (a) any injury or damage to any person or to any property at any time on the Premises or arising from any cause whatever in connection with the use, possession or condition of the Premises or from ice thereon, or from water, rain or snow which may leak into, issue or flow from any part of said Premises, or from pipes or plumbing with respect to the Premises, or from any other place or quarter, or from any other cause; (b) any untrue statement of a material fact relating to the City or the Project contained in any materials relating to the Note; or (c) a breach by the City of, or its failure to perform, any of its representations, warranties, covenants or undertakings in this Lease, unless and to the extent the Loss arises solely from the bad faith, willful misconduct, fraud or deceit of the Authority or any Authority Representative. In the event any such claim is made or action brought against the Authority or any Authority Representative, the Authority shall give prompt written notice of such claim to the City. The Authority may direct the City to assume the defense of the claim and any action brought thereon and to pay all reasonable expenses incurred therein; or the Authority may assume the defense of any such claim or action, the reasonable costs of which shall be paid by the City; provided however, that the City at its own expense may engage its own Counsel to participate in the defense of any such claim or action and, provided further, that the written consent of the City shall be required prior to the settlement of any such claim or action by the Authority, which consent shall not be unreasonably withheld. The defense of any such claim or action shall include the taking of all actions necessary or appropriate thereto.

(ii) Nothing in this Lease shall be construed to limit the Authority's rights or defenses which arise as a matter of law or to limit the sovereign immunity of the Commonwealth or the Authority.

(iii) The provisions of this Section 19 shall survive the termination of this Lease and the payment of the Note.

## **SECTION 20. ENVIRONMENTAL MATTERS AND ENVIRONMENTAL INDEMNITY.**

(i) The City represents and warrants that neither the City nor, to the best of its knowledge, any other person has: (1) used, installed or disposed of any Hazardous Materials (as such phrase is hereinafter defined) on, from, or affecting the Premises except in full compliance with Applicable Environmental Laws (as such phrase is hereinafter defined); or (2) received any notice from any governmental authority with regard to Hazardous Materials on, from or affecting the Premises.

(ii) The City shall not use the Premises, nor allow it to be used, to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials except in full compliance with Applicable Environmental Laws. The City

shall comply, and enforce compliance by all tenants and subtenants, if any, with all Applicable Environmental Laws and shall keep the Premises free and clear of any liens imposed pursuant to any Applicable Environmental Laws.

(iii) If the City receives any notice from any governmental authority with regard to Hazardous Materials on, from or affecting the Premises, or any notice of violation of Applicable Environmental Laws, the City shall promptly notify the Authority and shall take all actions necessary to clean up and remove all Hazardous Materials on, from or affecting the Premises in accordance with all Applicable Environmental Laws and to the satisfaction of the Authority.

(iv) The phrase "Applicable Environmental Laws" shall mean, without limitation, all of the legal requirements of any governmental authority pertaining to the preservation or enhancement of the quality of the environment or regulating or restricting the use, transfer, storage or remediation of Hazardous Materials and the rules, regulations adopted and publications promulgated pursuant thereto at any time. The phrase "Hazardous Materials" shall mean any substance or material regulated under any Applicable Environmental Laws.

(v) The City, to the extent not prohibited by law, agrees to indemnify, hold harmless and release the Authority and each Authority Representative against and from any and all claims, losses, damages, liabilities and expenses including out of-pocket expenses and legal fees and expenses to which the Authority or any Authority Representative may become subject out of or based upon any failure by the City to comply with or the failure of the Premises to be kept in compliance with the Applicable Environmental Laws. The provisions of this Section 20(v) shall be in addition to and not in lieu of any other indemnification of the Authority by the City set forth herein and the provisions of this Section 20(v) shall survive the termination of this Lease and the payment of the Note.

**SECTION 21. REFERENCES TO STATUTES, GOVERNMENTAL AGENCIES, ETC.** A reference herein to a statute or to a regulation issued by a governmental agency includes the statute or regulation in force as of the date hereof, together with all amendments and supplements thereto and any statute or regulation substituted for such statute or regulation, unless the specific language or the context of the reference herein clearly includes only the statute or regulation in force as of the date hereof. A reference herein to a governmental agency, department, board, commission or other public body or to a public officer includes an entity or officer which or who succeeds to substantially the same functions as those performed by such Public body or officer as of the date hereof, unless the specific language or the context or the reference herein clearly includes only such public body or public officer as of the date hereof.

**SECTION 22. GOVERNING LAW.** This Lease shall be governed by and construed in accordance with the internal laws of the Commonwealth.

**SECTION 23. AMENDMENTS AND SUPPLEMENTS.** Subject to applicable provisions of the Loan Documents, the parties hereto from time to time may enter into any written amendments hereof (and supplements hereto which thereafter shall form a part hereof) as do not adversely affect the rights of or the security of the Lender, as follows:

(i) to cure any ambiguity or to cure, collect or supplement any defect or inconsistency contained herein or in any amendment hereto; or

(ii) to grant to or confer upon the Authority any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon it; or

(iii) to reflect a change in applicable law including, without limitation, any change in the Code or the regulations promulgated thereunder; or

(iv) to provide terms not inconsistent with the Loan Documents or this Lease Agreement; provided however that no such amendment shall reduce the security provided hereby for the benefit of the Lender.

Copies of any such amendment must be delivered to the Lender. All other amendments shall be approved by the Lender.

**SECTION 24. NOTICES.** All notices required or authorized to be given by the City, the Authority, or the Lender pursuant to this Lease shall be in writing and shall be sent by first class mail, postage prepaid, hand delivery or facsimile transmission with confirming copy, to the following addresses:

City:

City of Easton  
One South Third Street  
Easton, PA 18042  
Attention: City Administrator  
and City Solicitor

Authority:

Easton Municipal Authority  
One South Third Street  
Easton, PA 18042  
Attention: Chairman

With a copy to:

David Unkovic, Esquire  
McNees Wallace & Nurick LLC  
570 Lausch Lane, Suite 200  
Lancaster, PA 17601-3057

Lender: [Bank]  
[Address]

Attention:

With a copy to:

[Bank Counsel]

or to such other addresses or telecopier numbers as may from time to time be furnished to the parties, effective upon the receipt of notice thereof given as set forth above. Each party identified above shall send a duplicate copy of all certificates, notices, correspondence, or other data and materials which it is required to give pursuant to this Lease to each of the other parties so identified.

**SECTION 25. QUIET ENJOYMENT.** Upon payment of the Rentals and performance of all covenants, terms, conditions, agreements and obligations under this Lease, the City shall have the peaceful and quiet enjoyment of the Premises without hindrance, interruption or disturbance by the Authority or those claiming by, through, or under the Authority.

**SECTION 26. COUNTERPARTS.** This Lease may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

**SECTION 27. HEADINGS.** All headings herein are for convenience of reference only and shall not affect the interpretation of any provision hereof.

IN WITNESS WHEREOF, EASTON MUNICIPAL AUTHORITY, has caused this Lease to be executed in its name by its Chainman or Vice-Chainman and its seal to be hereunto affixed and the same to be attested by the signature of its Secretary or Assistant Secretary, and the CITY OF EASTON, NORTHAMPTON COUNTY, PENNSYLVANIA, has caused this Lease to be executed in its name by the Mayor or Deputy Mayor of the City and its seal to be hereunto affixed and the same attested by the signatures of its City Clerk or an Assistant City Clerk, all as of the day and year first above written.

EASTON MUNICIPAL AUTHORITY

[SEAL]

By: \_\_\_\_\_  
(Vice) Chairman

Attest:

\_\_\_\_\_  
(Assistant) Secretary

CITY OF EASTON  
Northampton County, Pennsylvania

[SEAL]

By: \_\_\_\_\_  
(Deputy) Mayor

Attest:

\_\_\_\_\_  
(Assistant) City Clerk

SCHEDULE A

DESCRIPTION OF THE LEASED PREMISES

EXHIBIT "A"

DESCRIPTION OF THE PREMISES

ALL THOSE TWO CERTAIN tracts of land or lots of ground situate in the City of Easton, County of Northampton and State of Pennsylvania, bounded and described as follows, to wit:

No. 1. BEGINNING at a point on the South side of the Bushkill Creek at low water mark in line of lands now or late of the Estate of Michael Butz, thence along the lands now or late of the Estate of Michael Butz South 1 degree 38 minutes West 15 feet to a point in the North coping line of a stone retaining wall and in the North property line of Pearl Street, thence along the North property line of Pearl Street and along the North coping line of the stone retaining wall, the two following courses and distances: South 73 degrees 58 minutes West 100.50 feet to a point, and South 88 degrees 2 minutes West 272.80 feet to a cross-cut in line of lot of Tidewater Associated Oil Company, thence along the lot of Tidewater Associated Oil Company and along lot now or late of Nathan Sandt North 18 degrees 52 minutes West 136.70 feet to an iron pin on the West bank of the Bushkill Creek, thence continuing along lot now of Nathan Sandt and along lot of the Pearl Street Realty Company, North 10 degrees 2 minutes West 102.66 feet to an iron pin in the projection of the South property line of Spring Garden Street, thence along the projection of the South property line of Spring Garden Street and along lot of the Pearl Street Realty Company, North 10 degrees 2 minutes West, 102.66 feet to an iron pin in the projection of the South property line of Spring Garden Street, thence along the projection of the South property line of Spring Garden Street and along lot of the Pearl Street Realty Company North 86 degrees 58 minutes west 25.40 feet to an iron pin in the East property line of Locust Street, thence along the East property line of Locust Street, North 3 degrees 2 minutes East 562 feet to an iron pin in the South property line of Vine Street, thence along the South property line of Vine Street South 86 degrees 58 minutes East 77 feet to an iron pin in the West side of the Bushkill Creek, thence along the West side of the Bushkill Creek and along the lands of the Easton Cemetery, the four following courses and distances: North 25 degrees, 20 minute East, 164.80 feet to a point; thence North 15 degrees 21 minutes East 130.50 feet to a point; and North 31 degrees 53 minutes East 147.20 feet to a point, and North 47 degrees 1 minute East 306.20 feet to an iron pin, thence crossing the Bushkill Creek, South 38 degrees 40 minutes East 81 feet to an iron pin on the East side of the Bushkill Creek, thence along the East side of the Bushkill Creek and along the lands of Lehigh Valley Railroad (Easton and Northern Railroad Co.) the seven following courses and distances; South 44 degrees 17 minutes West 230.30 feet to an iron pin, South 34 degrees 21 minutes West 151 feet to an iron pin (formerly an oak tree), South 32 degrees 45 minutes West 91.90 feet to an iron pin, South 18 degrees 3 minutes West 172.30 feet to an iron pin, South 13 degrees 2 minutes west 126.20 feet to an iron pin, South 1 degree 33 minutes West 78.10 feet to an iron pin and South 16 degrees 55 minutes East 68.50 feet to an iron pin in the intersection of the North property line of Valley Street and the West property line of a forty feet wide private street, thence along the West property line of the forty feet wide private street, South 7 degrees 31 minutes East 195 feet to a point in the East bank of a headrace and in the South

property line of a twenty-five feet wide private street, thence along the South property line of the twenty-five feet wide private street (passing through an iron pin at seven feet), North 82 degrees, 29 minutes East 260 feet to an iron pin, thence continuing along the South property line of the twenty-five feet wide private street, the two following courses and distances: North 60 degrees 8 minutes East 125.30 feet to a railroad spike and North 48 degrees 19 minutes East 127.40 feet to a nail in line of lot of Ida Goldman, thence along lot of Ida Goldman and along the Easterly faces of an ornamental brick wall and a concrete warehouse South 42 degrees 5 minutes East 144.30 feet to a spike in a railroad tie, thence continuing along lot of Ida Goldman, North 50 degrees 6 minutes East 86.15 feet to a nail in the foundation wall in line of property late of J. E. Stair Estate, thence along property late of J. E. Stair Estate and crossing the Bushkill Creek, South 41 degrees, 49 minutes East 95 feet to an iron pin on the South side of the Bushkill Creek, thence along the South side of the Bushkill Creek the for following courses and distances: South 41 degrees 17 minutes West 134.80 feet to a point, South 45 degrees 18 minutes West 133.60 feet to a point, South 51 degrees 40 minutes West 124 feet to a point and South 66 degrees 24 minutes west 195.80 feet to the point or place of Beginning. Containing 9.361 acres.

No. 2. BEGINNING on the southerly side of Bushkill Drive at a point, the Northeast corner of land of Ida Goldman, distant 30 feet Southwardly from the North curb of said Drive; thence along the southerly side of said Drive, N 71° 59' E, 95.1 feet to a point; thence by a line curving to the right with a radius of 217.65 feet a distance of 139.9 feet to a point on the Westwardly side of the bridge crossing the Bushkill Creek west of North Fourth Street; thence along the Westwardly side of the said bridge S 57° 04' E, 18 feet, more or less, to the northerly side of said Creek; thence in a Westwardly direction along the northerly side of said Creek 15 feet, more or less, to a point; thence in said Creek the following three courses and distances: S 66° 30' E, 25 feet to a point, S 39° 00' W, 36.3 feet to a point, and N 67° 00' W, 6.6 feet to a point; thence in and along said Creek S 52° 00' W, 148.5 feet to a point along the northern side of said Creek; thence along Tract No. 1 above described and land of the said Ida Goldman N 39° 30' W, 164.75 feet to a point, the place of beginning.

Tract No. 2 above described being subject to the Right-of-Way acquired by the Commonwealth of Pennsylvania, Department of Highways, by the condemnation referred to in the Drawing entitled: "Department of Highways Drawing for Construction by the State Highway and Bridge Authority, Appropriation and Condemnation of Right-of-Way Route No. L. R. 773, Section 2A, recorded in the Office of the Recorder of Deeds of said Northampton County in Map Book 3, page 3.

The portion of said Tract No. 2 covered by said condemnation being bounded and described as follows: Beginning at a point in the southerly side of the former Bushkill Drive at a point in line with the northerly side of Pennsylvania Highway Route #773 Section 2A, thence along the southerly side of the former Bushkill Drive, N 71° 59' E, 24 feet to a point, thence by a line curving to the right with a radius of 217.65 feet a distance of 139.9 feet to a point on the westwardly side of the bridge formerly crossing the Bushkill Creek west of North Fourth Street, thence along the westwardly side of said bridge S 57° 04' E, 18 feet more or less, to the northerly side of the Bushkill Creek, thence in a westwardly direction along said Creek 15 feet more or less to a point in the northerly side of said Highway, thence in a northwestwardly direction along said Highway 165.0 feet to the point the place of beginning.

The portion of said Tract No. 2 not covered by said condemnation being bounded and described as follows: Beginning at a point in the southerly side of Pennsylvania Highway Route #773, Section 2A, and in line of land of Ida Goldman, thence in a southeastwardly direction along the southerly side of said Highway 190.0 feet to a point along the Bushkill Creek, thence along said Creek S 52° 00' W, 136.0 feet to a point in line of Tract No. 1 above described, thence along said Tract No. 1 and land of Ida Goldman, N39° 30' W, 130.0 feet to the point, the place of beginning.

TAX PARCEL IDENTIFIER NUMBERS: L9NE4C-26-1; L9NE4C-19-2; L9NE3D-10-1; L9NE3D-10-3; and L9NE4C-11-1.

BEING the same premises which The City of Easton, by Confirmatory Deed dated June 24, 2002, and recorded in the Office for the Recording of Deeds in and for the County of Northampton in Deed Book Vol. 2002-1, page 167304, granted and conveyed unto The City of Easton.

EXHIBIT "B"  
SCHEDULE OF RENTALS

EXHIBIT "C"

## GUARANTY AGREEMENT

**THIS GUARANTY AGREEMENT** (the "**Guaranty Agreement**") is made this 21<sup>st</sup> day of February, 2014 by the **CITY OF EASTON** ("**Guarantor**") in favor of [Bank] ("**Lender**").

### BACKGROUND

WHEREAS, the City has caused the incorporation of the Easton Municipal Authority, a municipal authority incorporated under the laws of the Commonwealth of Pennsylvania (the "**Authority**") for the purposes set forth in the Municipalities Authorities Act, 53 Pa. C.S. Sections 5601 et seq. (the "**Authorities Act**");

WHEREAS, the City has determined to undertake a project consisting of the sale of the City's Public Works Complex located at 500 Bushkill Drive, Easton, Pennsylvania (the "**Leased Premises**") to the Authority pursuant to an Agreement of Sale between the Authority, as purchaser, and the City, as seller, dated February 21, 2014, and the concurrent leasing of the Leased Premises back from the Authority pursuant to a Agreement of Lease dated February 21, 2014 (the "**Lease**");

WHEREAS, the City has determined that the proceeds from the sale of the Leased Premises to the Authority shall be used for and towards the payment of City indebtedness for the payment of a certain legal settlement;

WHEREAS, the Authority proposes to issue to Lender its Guaranteed Lease Revenue Note, Series of 2014 (the "**Note**") in the stated principal amount of \$3,220,000 to finance its acquisition of the Leased Premises in accordance with the Authorities Act and pursuant to the terms of Lender's Proposal dated January \_\_, 2014 (the "**Proposal**"); and

WHEREAS, as additional security for the payment of the Obligations (as hereinafter defined) when due by the Authority, the City has agreed, pursuant to the City's Ordinance No. \_\_\_\_, enacted, January 22, 2014, to unconditionally guarantee to the Lender the full payment of the principal of and interest on the Note, and covenant that it shall appropriate and duly and punctually pay or cause to be paid the full amount of such principal and interest on the dates and at the places and in the manner stated in the Note, and for such budgeting, Appropriation and payment the City has pledged its full faith, credit and taxing power, pursuant to the terms of this Guaranty Agreement and the Local Government Unit Debt Act, 53 Pa.C.S. Sections 8001 et seq. (the "**Debt Act**").

**NOW, THEREFORE**, for good and valuable consideration, and intending to be legally bound hereby, Guarantor irrevocably and unconditionally agrees with Lender as follows:

1. **Definitions.** For purposes of this Guaranty Agreement:

1.1 "**Event of Default**" shall include each of the following:

(a) A failure to timely pay any amount due under the Note or any of the other documents executed in connection with the issuance thereof (collectively with the Note, the "**Loan Documents**");

(b) Guarantor's failure to perform any of Guarantor's obligations under this Guaranty Agreement beyond any applicable notice and cure period provided for herein; and

(c) Guarantor contests the validity or enforceability of this Guaranty Agreement.

1.2 "**Guaranteed Obligations**" means (a) the full and timely payment of the Obligations, and (b) the full, timely and complete compliance with, and punctual performance by the Authority of, each and every obligation, covenant, agreement, representation and warranty to be complied with or performed by the Authority under the Loan Documents.

1.3 "**Obligations**" shall mean all obligations, indebtedness and liabilities of the Authority under the Note, together with all interest, fees, costs, attorneys' fees and other sums payable in connection with the foregoing.

2. **Unlimited Continuing Guaranty and Suretyship Obligation.**

2.1 **Unlimited Guaranty.** Guarantor guarantees to the Lender the full payment of the principal of and interest on the Note and in furtherance thereof guarantees to the Lender and becomes a surety to the Lender for the Guaranteed Obligations. The liability of Guarantor hereunder is unlimited. THIS GUARANTY AGREEMENT IS A CONTINUING GUARANTY AND SURETYSHIP AGREEMENT AND SHALL CONTINUE IN FORCE UNTIL ALL GUARANTEED OBLIGATIONS HAVE BEEN PAID OR SATISFIED IN FULL AS DETERMINED BY THE LENDER. If the Authority shall fail to pay the full amount of the principal of and interest on the Note when the same become due and payable, in the manner described in the Note, the City will pay the amount of such principal and interest to the then holder of the Note.

GUARANTOR ACKNOWLEDGES THAT THIS GUARANTY AGREEMENT AND THE OBLIGATIONS OF THE GUARANTOR HEREUNDER CONSTITUTE A LIEN OR CHARGE UPON THE FUNDS OF THE GUARANTOR TO PAY ALL SUMS DUE HEREUNDER AND THAT THIS GUARANTY AGREEMENT AND THE OBLIGATIONS OF GUARANTOR HEREUNDER CONSTITUTES A DEBT OR GENERAL OBLIGATION OF GUARANTOR. IT IS FURTHER ACKNOWLEDGED BY GUARANTOR THAT THE FULL FAITH AND CREDIT AND THE TAXING POWER OF GUARANTOR IS HEREBY PLEDGED TO THE PAYMENT OF ALL GUARANTEED OBLIGATIONS.

The City covenants and agrees with Lender that the City shall include the amount of debt service on the Note, including interest thereon, for each fiscal year in which such sums are payable in its budget for that fiscal year, the City in the event the Authority shall fail to pay the full amount of principal of and interest on the Note when due and payable, at the times and places, under terms and conditions and in the manner described in the Note, shall appropriate and duly and punctually pay or cause to be paid the full amount of such principal and interest on the dates and at the places and in the manner stated in the Note. For such budgeting, appropriation and payment, the City hereby does pledge its full faith, credit and taxing power and hereby does agree that this covenant shall be specifically enforceable.

The City agrees that the maximum debt service in each fiscal year with respect to the Note, to which the foregoing Guaranty shall apply, is set forth on Schedule "A" attached hereto and hereby incorporated herein as if set forth in full in this section 2.1.

2.2 **Exercise of Lender's Rights.** Guarantor understands and agrees that: (a) the Lender may, at any time following an Event of Default, at its discretion, proceed against Guarantor and/or any security for this Guaranty Agreement in such order and manner as the Lender shall determine in its sole discretion; (b) Guarantor's liability under this Guaranty Agreement is not limited to the value or proceeds realized by the Lender from a sale or other liquidation of any collateral for this Guaranty Agreement; and (c) the Lender may, at any time following an Event of Default, pursue remedies under the Debt Act to obtain payment of the Guaranteed Obligations.

2.3 **Financial Covenants.** During the term of this Guaranty Agreement, Guarantor shall submit to Lender copies of Guarantor's annual financial statements within one hundred and fifty (150) days of the end of each fiscal year of Guarantor or as soon as such documents are available, whichever is later. In addition, for each year of the term of this Guaranty Agreement, Guarantor shall submit to Lender its annual budget within ten (10) days after it is approved by Guarantor's Council.

3. **Scope and Duration of Liability.**

3.1 **Primary Liability.** The Guaranteed Obligations are primary, absolute, independent, irrevocable and unconditional. This agreement is an agreement of suretyship as well as of guaranty and without being required to proceed first against the Authority or any other person or entity, or against any other security for the Guaranteed Obligations, the Lender may proceed directly against Guarantor upon the occurrence of an Event of Default.

3.2 **Duration.** This Guaranty Agreement shall remain in full force and effect until all of the Guaranteed Obligations are fully, finally and irrevocably paid, complied with and performed and until all sums received by the Lender thereunder are no longer subject to rescission or repayment upon the bankruptcy, insolvency or reorganization of the Authority or Guarantor. If at any time a payment or payments by the Authority or Guarantor on any of the Guaranteed Obligations, or any part thereof, are subsequently invalidated, declared to be fraudulent or preferential, set aside or are required to be repaid to a trustee, receiver or any other person or entity under any bankruptcy act, state or federal law, common law or equitable cause, then to the extent of such payment or payments, the Guaranteed Obligations intended to be satisfied shall be revived and continued in full force and effect as if such payment or payments had not been made.

3.3 **Remedies.** Upon the occurrence of an Event of Default, Guarantor shall immediately pay, comply with and perform such of the Guaranteed Obligations as the Lender shall direct, irrespective of whether the Guaranteed Obligations directed by the Lender to be paid, complied with and performed by Guarantor are those which gave rise to the Event of Default.

4. **Unconditional Enforceability.**

4.1 **Enforceability.** The Guaranteed Obligations shall be unconditional and irrevocable, irrespective of:

(a) the genuineness, validity or enforceability of the Note or any of the Loan Documents;

- (b) any limitation of liability of the Authority or any other person or entity contained in the Loan Documents;
- (c) the existence of any security given to secure the Loan Documents;
- (d) any change in the Authority's financial condition, operations, loan status or collateral position;
- (e) the impossibility or illegality of performance on the part of the Authority of the Authority's obligations under the Loan Documents;
- (f) any defense that may arise by reason of the incapacity or lack of authority of the Authority, any other guarantor or other person or entity or the failure of the Lender to file or enforce a claim against the estate of the Authority in any bankruptcy or other proceedings; or
- (g) any other circumstances, occurrences or conditions, whether similar or dissimilar to any of the foregoing, which might otherwise constitute a legal or equitable defense, discharge or release of a guarantor or surety.

5. **Release/Modification/Information.** The Lender may at any time and from time to time, with or without consideration, release or discharge Guarantor, the Authority or any one or more other guarantors of or sureties for any or all of the Guaranteed Obligations, agree to the substitution, exchange or release of all or any part of the collateral securing the Obligations, obtain or receive any additional collateral or suretyship obligations securing the Loan Documents, and/or modify, amend, increase, extend, renew or supplement any of the Guaranteed Obligations or the Loan Documents, all without notice to or further consent from Guarantor. Except as may be expressly agreed to by the Lender in writing, none of the foregoing actions shall in any way affect or diminish the liability of Guarantor under this Guaranty Agreement. The Lender has no obligation or commitment of any kind to inform or advise Guarantor of any information, occurrences or events regarding the Authority or the Authority's financial condition, operations or collateral position, including, without limitation, any material adverse change in such financial condition, operations or collateral position. Guarantor acknowledges that Guarantor shall be solely responsible for keeping informed as to any of the foregoing matters.

6. **Notices.** All notices, requests and other communication made or given in connection with this Guaranty Agreement shall be in writing and, unless receipt is stated herein to be required, shall be deemed to have been validly given if delivered personally to the individual, division or department to whose attention notices to a party are to be addressed, or by private carrier, or by registered or certified mail, return receipt requested, or by telecopy with the original forwarded by first class mail, in all cases with postage prepaid, addressed as follows until some other address (or individual, division or department for attention) shall be designated by notice given in accordance with this paragraph:

To Guarantor:

City of Easton  
One South Third Street  
Easton, PA 18042  
Attention: City Administrator

and City Solicitor

To the Lender:

[Bank]  
[Address]

Attn: [Name]

With a Copy to:

[Bank counsel]

7. **Cumulative Remedies.** The rights, remedies, powers and privileges provided to the Lender herein or in any of the Loan Documents shall not be deemed exclusive, but shall be cumulative and shall be in addition to any other rights, remedies, powers and privileges of the Lender at law or in equity.

8. **Waivers.** Guarantor hereby fully, finally, unconditionally and irrevocably waives the following:

8.1 **Notices.** Notice of acceptance of this Guaranty Agreement by the Lender and any notice of the incurring by the Authority of the Guaranteed Obligations; presentment for payment, notice of nonpayment or demand, demand, protest, notice of protest and notice of dishonor or default to any party including the Authority and Guarantor; notice of any change in the Authority's financial condition, operations or collateral position; notice of any of the actions described in Section 5 hereof, and all other notices to which Guarantor may be entitled but which may legally be waived.

8.2 **Demand.** Demand for payment as a condition of liability under this Guaranty Agreement.

8.3 **Defenses.** Any defense or circumstance which might otherwise constitute a legal or equitable discharge of a guarantor or surety, including, without limitation, any obligation of the Lender to proceed against the Authority prior to exercising its rights against Guarantor hereunder.

8.4 **Termination.** Any and all right to terminate Guarantor's obligations hereunder by delivery of written notice to the Lender or otherwise.

8.5 **Bond.** Any requirement for bonds, security or sureties required by statute, court rule or otherwise.

9. **Delay or Omission Not Waiver.** Neither the failure nor any delay on the part of the Lender to exercise any right, remedy, power or privilege under the Loan Documents upon the occurrence of any Event of Default or otherwise shall operate as a waiver thereof or impair any

such right, remedy, power or privilege. No waiver of any Event of Default shall affect any later Event of Default or shall impair any rights of the Lender. No single, partial or full exercise of any rights, remedies, powers and privileges by the Lender shall preclude further or other exercise thereof.

10. Binding Effect. This Guaranty Agreement and all rights and powers granted hereby will bind and inure to the benefit of the parties hereto and their respective successors and assigns.

11. Construction. For purposes of this Guaranty Agreement, the singular shall be deemed to include the plural and the neuter shall be deemed to include the masculine and feminine as the context may require.

12. Severability. The provisions of this Guaranty Agreement and all other Loan Documents are deemed to be severable, and the invalidity or unenforceability of any provision shall not affect or impair the remaining provisions which shall continue in full force and effect.

13. Governing Law. This Guaranty Agreement has been made, executed and delivered in the Commonwealth of Pennsylvania and will be construed in accordance with and governed by the laws of such Commonwealth without regard to conflict of law principles.

14. Counterparts. This Guaranty Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Guaranty Agreement by signing any such counterpart.

**IN WITNESS WHEREOF**, Guarantor has caused this Guaranty Agreement to be executed the day and year first above written.

**CITY OF EASTON**

[SEAL]

Attest:

By: \_\_\_\_\_  
(Deputy) Mayor

\_\_\_\_\_  
(Assistant) City Clerk

EXHIBIT "D"

UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF NORTHAMPTON

EASTON MUNICIPAL AUTHORITY

GUARANTEED LEASE REVENUE NOTE, SERIES OF 2014

Principal Amount: \$ 3,220,000

Date of Issuance: February 21, 2014

KNOW ALL MEN BY THESE PRESENTS, that the Easton Municipal Authority, County of Northampton, Commonwealth of Pennsylvania, a municipal authority existing by and under the laws of said Commonwealth (the "Authority"), for value received, hereby acknowledges itself indebted and promises to pay, solely from the sources and in the manner hereinafter provided, to [Bank], or registered assigns (the "Payee"), the principal sum of Three Million Two Hundred Twenty Thousand Dollars (\$3,220,000), on or before February 15, 2020, payable in accordance with the schedule attached hereto and incorporated herein as Schedule "A". Interest on this Note shall be computed on the basis of a 360 day year of twelve 30 day months.

The principal of and interest on this Note shall be payable at the \_\_\_\_\_, Pennsylvania office of the Payee, or any successor or assignee, in any coin or currency of the United States of America which, at time of payment, is legal tender for payment of public and private debts. It is hereby recited that this Note is authorized to be issued in accordance with the Municipalities Authorities Act, 53 Pa.C.S.A Sections 5601 et seq. (the "Act"), pursuant to

Resolution (the "Resolution") of the Board of Directors of the Authority duly adopted on February 21, 2014, the terms of which are specifically incorporated herein by reference, and the terms of which the Payee accepts, which authorized the issuance of the Note.

The Note shall bear interest from the Date of Issuance of the Note on the unpaid balance of principal, payable semiannually on the fifteenth (15<sup>th</sup>) day of February and August of each year, commencing August 15, 2014, and at maturity or earlier payment, at \_\_\_% per annum, from the date of its issuance through and including February 15, 2020. In no event shall the interest rate of the Note exceed 9.00% per annum (the "Maximum Rate").

If, at any time hereafter, either before or after the payment of the entire principal of and interest on the Note, there occurs a Determination of Taxability, as herein defined, then, the per annum rate of interest on the Note shall be readjusted and increased, to the lesser of: (i) an annual rate of interest equal to the Bank Prime Rate; or (ii) an annual rate of interest which more accurately reflects the actual tax burden on the Payee resulting from a Determination of Taxability but in no event higher than the Maximum Rate (the "Taxable Rate").

For purposes hereof, "Bank Prime Rate" means the rate of interest per annum from time to time announced by the Payee at its principal office as its prime commercial lending rate, as established and changed from time to time. The Bank Prime Rate is a reference rate, which floats and is stated from time to time by the Payee for the guidance of its officers.

For purposes hereof, a "Determination of Taxability" shall mean (i) a determination that interest payable on account of the Note is not exempt from both federal and Pennsylvania income taxation, the date of which determination shall be considered as made on the earliest of: (x) the day after expiration of the period for filing a petition in the United States Tax

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Court or in the Pennsylvania courts in the case of Pennsylvania taxes with respect to any income tax deficiency asserted against the Payee with respect to any such interest, if no such petition is filed, (y) the day on which a decision by the United States Tax Court or a judgment, decree or other order by any court of competent jurisdiction, holding that such interest is taxable, becomes final or the day on which the Payee and the United States Internal Revenue Service or the Pennsylvania Department of Revenue shall reach a settlement resulting in such interest becoming taxable, or (z) the effective date of any legislation, final regulation or ruling making such interest taxable; or (ii) a final determination by a court of competent jurisdiction that the Note is not a "qualified tax-exempt obligation" within the meaning of section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code").

If a Determination of Taxability does occur, then (i) the unpaid principal balance of the Note shall thereafter bear interest at a rate per annum equal to the Taxable Rate; and (ii) within thirty (30) days after notice of the Determination of Taxability, there shall also be paid as additional interest to the Payee (1) the difference between the total amount of interest on the Note which would have been due by the Authority under the Note at the Taxable Rate and the total amount of interest actually paid, during all periods prior to the date of the Determination of Taxability for which federal income tax is collectable with respect to interest on the Note; and (2) an amount equal to all interest and penalties due by the Payee under the Note by reason of having excluded any such interest from the Payee's taxable income.

It is hereby certified that all acts, conditions and things required to be or be done, happen, and be performed precedent to and in the issuance of this Note have been done, happened, and been performed in regular and due form and manner as required by law.

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It is hereby further certified that the Authority has effectively covenanted to periodically pay or cause to be paid the principal and interest thereon at the dates and places and in the manner stated herein, according to the true intent and meaning hereof.

This obligations of the Authority under this Note are secured by the following (collectively, the "Loan Documents"): (i) a Guaranty Agreement of the City of Easton, Northampton County, Pennsylvania, dated even date herewith (the "Guaranty"); (ii) an Agreement of Lease between the Authority and the City of Easton of even date herewith and regarding that certain property located at Easton, Pennsylvania (the "Lease"); and (iii) an Assignment of Lease and Rents between the Authority and the Payee dated even date herewith regarding the Lease. This Note is a special limited obligation of the Authority, payable solely from the revenues from assignment of the Authority's interest in the Lease and the rental payments thereunder (the "Assigned Revenues").

This Note may be prepaid in whole or in part at the option of the Authority at any time, at a redemption price equal to the then unpaid principal amount thereof plus accrued interest to the date of redemption without premium.

This Note is transferable by the Payee, or by any subsequent registered owner, but only upon notation of such registration hereon and on the records of the Authority. The Authority may deem and treat the Payee, or any other person, from time to time, in whose name this Note shall be registered as the absolute owner hereof for the purpose of receiving payment hereof and of interest due hereon, and for all other purposes, whether or not this Note shall be overdue. The Authority shall not be affected by any notice to the contrary.

The Authority shall be in default hereunder upon the occurrence of any of the

following events:

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(a) The nonpayment when due of any amount payable hereunder, and the failure of the Authority to cure such nonpayment within ten (10) days of such due date; or

(b) The failure of the Authority to observe or perform any obligation to be performed by it hereunder, under the Loan Documents and/or under any other documents or agreement executed by the Authority in connection herewith, and the failure of the Authority to cure such event within twenty (20) business days after written notice to the Authority from the Payee (or if such event is of a nature that cannot be cured within such period, such longer period as may be reasonably necessary to cure such event, provided the Authority pursues the same thereafter in good faith and with due diligence).

Whenever the Authority shall be in default for any of the reasons as set forth hereinabove, and, if applicable, the cure period after notice has expired (unless the Payee elects otherwise), the entire unpaid balance of principal and accrued but unpaid interest shall become immediately due and payable without notice or demand on the Authority.

No recourse shall be had for the payment of the principal of, or interest on this Note, or for any claim based hereon or on the Resolution against any member, officer, director or employee past, present or future of the Authority or of any successor body, as such, either directly or through the Authority or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers, directors or employees is released as a condition of and as consideration for the issuance of this Note. The Authority has no taxing powers. The liability of the Authority hereunder shall be limited to the Assigned Revenues, as defined herein, and the lien of any judgment shall be restricted

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accordingly.

This Note is designated as a “qualified tax-exempt obligation,” as such term is defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

(intentionally left blank)

IN WITNESS WHEREOF, the Authority has caused this Note to be properly executed by the proper officers of the Authority this 21st day of February, 2014.

EASTON MUNICIPAL AUTHORITY

Attest: \_\_\_\_\_  
(Assistant) Secretary

By: \_\_\_\_\_  
(Vice) Chairman

(SEAL)

CERTIFICATE OF REGISTRATION NOTICE.  
NO WRITING HEREON EXCEPT  
BY PAYING AGENT ON BEHALF OF THE MAKER

It is hereby certified that the foregoing Note is registered as to principal and interest as follows:

Name of Registered Owner	<u>Address of Registered Owner</u>	<u>Date of Registration</u>	<u>Paying Agent's Authorized signature</u>
[Bank]	[Address]	02/21/2014	
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_  
\_\_\_\_\_ the within Note, and all rights thereunder, and hereby  
irrevocably constitutes and appoints attorney to transfer said Note on the books of the within named  
Maker, with full power of substitution in the premises.

Tax Identification No.

\_\_\_\_\_

Dated: \_\_\_\_\_

NOTICE: The signature on this assignment must correspond with the name as it appears  
upon the fact of the within note in every particular, without alteration or any  
change whatsoever.

SCHEDULE "A"

Debt Service Schedule

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total P+I</u>	<u>Fiscal Total</u>
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EXHIBIT "E"

**Post-Issuance Compliance Policies**  
**City of Easton**  
**Adopted and Approved by the City Council on January 22, 2014**  
**By Ordinance No. \_\_\_\_\_**

**I. Purpose**

The purpose of these post-issuance compliance policies (the "Policies") for bonds and notes that have been and will be issued by the City of Easton (the "Issuer") is to ensure compliance with:

- (a) **federal tax rules** pertaining to expenditure of proceeds for qualified costs, rate of expenditure, use of bond financed property, investment of proceeds in compliance with arbitrage rules, and retention of records;
- (b) **securities law disclosure requirements** as to all obligations issued by the Issuer to which such disclosure requirements apply; and
- (c) **miscellaneous state law and document requirements** during the term of any Issuer financing.

These Policies are intended to be, among other things, the Issuer's tax exempt bonds post-issuance tax compliance policy and can be identified as such in any filing with the Internal Revenue Service ("IRS"), such as Form 8038-G.

As used this document, the term "bonds" will include both bonds and notes; the term "Tax Certificate" will include a Tax Certificate or a Non-Arbitrage Certificate; and the term "Continuing Disclosure Agreement" will include a Continuing Disclosure Agreement or a Continuing Disclosure Certificate.

**II. The Post-Issuance Compliance Coordinator and the Post Issuance Compliance Team**

The key to a successful post-issuance compliance policy is to have one person with overall, final responsibility for implementing the Policies. That person is designated by the Issuer as the Post-Issuance Compliance Coordinator (referred to in this document as the "Coordinator"). As a further protection for the Issuer, the Issuer may also have a Post-Issuance Compliance Team (the "Team") which will work with and report to the Coordinator.

1. The Coordinator will be appointed by the Mayor of the Issuer. This person will be the individual who will be responsible for the required monitoring activity, and the required reporting and disclosure activity.
2. The Coordinator may appoint such individuals to the Team (each a "Team Member") as the Coordinator believes are appropriate to implement the Policies. In appointing Team Members, the Coordinator may delegate the responsibilities of the Coordinator under these Policies to the Team Members.

3. Before any new issuance of debt, the Issuer will include the Coordinator in discussions with the Issuer's solicitor, financial advisor and bond counsel so that the Coordinator understands the structure and post-issuance requirements of the debt.
4. After the issuance of new debt, the Coordinator will identify the required monitoring activities and a schedule for such monitoring activities, and the Coordinator will designate the duties of specific Team Members with respect to the new debt.
5. The Coordinator shall conduct on at least an annual basis a review of all outstanding bond issues for compliance with these Policies.
6. The Issuer will have the Coordinator attend relevant training sessions regarding post-issuance compliance at least once every two years.

### **III. *Identifying Required Monitoring Activity and Schedule Reviews***

1. The Coordinator shall identify all financing obligations, including tax-exempt and taxable bonds.
2. The Coordinator will establish routines for monitoring on-going compliance that are consistent with discovering any noncompliance in a timely manner so that it may be corrected. While specific review processes are described in detail below, timing for certain reviews will be as follows:
  - (a) All contracts, leases or other arrangements which create legal rights to the use of bond-financed facilities (e.g., a lease or a management agreement) will be reviewed prior to execution to ensure that they will not cause private use limits to be exceeded with respect to any issue of bonds.
  - (b) With respect to each bond issue, the Coordinator will ensure that he understands at the time of bond closing which funds and accounts containing bond proceeds may become subject to yield-restriction investment rules and will keep a record of the dates upon which such rules will begin to apply.
  - (c) While rebate calculations may be performed more often, the Coordinator will ensure upon the fifth anniversary date of the issuance date of the bonds, every five years thereafter, and upon final retirement of the bonds, that either no rebate is owed or provision has been made for the payment of any rebate owed within 60 days. The Issuer will consult with and retain appropriate rebate calculation professionals, as necessary, to assist in this undertaking.
  - (d) Prior to the Issuer executing any contract, lease or other document which would materially change the use of the bond-financed project or which would sell any bond-financed property, the Coordinator will confirm that

such change will not require a remedial action to be taken with respect to any bond issue.

#### **IV. *Record Retention Program***

1. It is the policy of the Issuer that written records (which may be in electronic form) will be maintained with respect to each issue of tax-exempt bonds for as long as such bonds remain outstanding, plus six years. For this purpose, such bonds include refunding bonds that refund the original bonds and thereby refinance the property that was financed by the original bonds.

The Coordinator shall create a record for each series, and shall consult with the Issuer's counsel to determine the documents which shall be included in the record for each series.

The following are examples of documents which may be collected and maintained by the Coordinator pursuant to this policy:

- (a) The official Transcript of Proceedings for the original issuance of the bonds;
- (b) All documents regarding investment of bond proceeds and investment income, including purchases or sales of investments made with bond proceeds (including amounts treated as "gross proceeds" of bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code")) and receipts of earnings on those investments;
- (c) All documents (if any) regarding bidding for guaranteed investment contracts ("GIC's"), bidding for open market escrow securities, or bidding for any other investments;
- (d) All records regarding expenditure of bond proceeds, including invoices and/or requisitions for: costs of issuance, credit enhancement, a debt service reserve fund, construction period interest, project expenditures, and any other expense until the final allocation of proceeds (including investment earnings on bond proceeds);
- (e) All records pertaining to project draw schedules, construction contracts and contracts regarding acquisitions of property or equipment;
- (f) Depreciation schedules regarding bond financed property or equipment;
- (g) All documents relating to security for the bonds;
- (h) All documents relating to any swap or other hedge or derivative agreements, including the bidding thereof;
- (i) All documents regarding periodic interest rates on variable rate bond issues;

- (j) All trustee records and reports;
- (k) All documents relating to yield calculations;
- (l) All documents relating to arbitrage compliance and to any spend-down calculations, rebate calculations and/or payments, or yield reduction payments, including computations, legal opinions and IRS Forms 8038-T;
- (m) Records regarding payment of debt service on the bonds; and
- (n) All records regarding third party use of the bond financed facilities beginning with policies and form contracts, including:

Service contracts, management contracts, sales or disposition of bond financed facilities, leases, subleases, leasehold improvement contracts, joint venture contracts relating to bond financed facilities, LLC contracts relating to bond financed facilities, partnership agreements relating to bond financed facilities, any other documents relating to private use of bond financed facilities.

The basic purpose of the foregoing record retention policy for the tax-exempt bonds issued by the Issuer is to enable the Issuer to readily demonstrate to the Internal Revenue Service upon an audit of any tax exempt bond issue that the Issuer has fully complied with all federal tax requirements that must be satisfied after the issue date of such bonds so that, as applicable, interest on those bonds continues to be tax-exempt under section 103 of the Code.

Note: If records are kept electronically, refer to IRS Revenue Procedure 97-22, Section 4.01.

The Coordinator may elect to extend the Record Retention Program to those taxable bonds issued for the benefit of the Issuer.

#### **V. *Tax Requirements Associated with Sale and Issuance of Bonds***

1. The “issue price,” as defined in the Code, of the bonds will be documented at the time of issuance. Certifications of an underwriter, placement agent or purchaser and a final numbers package will establish “issue price” and will be reviewed and included in the bond transcript or other records maintained for the bond issue.
2. The weighted average maturity (taking into account the various issue prices of the maturities of the bonds) will be documented at the time of issuance.
3. An estimated average economic life of the expected bond-financed projects will be documented at the time of issuance.
4. The appropriate Form 8038-G (tax exempt bonds) will be reviewed and filed not later than the 15th day of the 2nd calendar month following the quarter in which the bonds were issued. Filing of appropriate version or versions of Form 8038-G will be confirmed with bond counsel.

## VI. *Expenditure of Proceeds*

To the extent applicable under the Record Retention Program adopted by the Issuer with respect to a particular series of bonds, the Coordinator shall create and maintain, or cause to be maintained, records of expenditures of tax-exempt bond proceeds, as follows:

1. Bond proceeds will be disbursed pursuant to an approved form of requisition as prepared by bond counsel, stating the date, amount and purpose of the disbursement. Any initial disbursement at the bond closing may be made pursuant to direction set forth in the Closing Receipt, Closing Statement and Settlement Reconciliation prepared by bond counsel and delivered at the closing for such bonds.
2. Requisitions must identify the financed property in conformity with the Tax Certificate executed by the Issuer at closing, including any certifications as to the character and average economic life of the bond financed property.
3. Investment earnings on sale proceeds of the bonds will be tracked and will be requisitioned only for appropriate expenditures.
4. Only a small portion (5%) of the proceeds of bonds for construction may be used for operating expenses or other "working capital" costs. Requisitions for costs of the bond financed facilities will accordingly be monitored to confirm that they are for capital costs of such facilities.
5. Requisitions for costs that were paid prior to the issuance of the bonds are, in general, limited to capital costs paid subsequent to, or not more than 60 days prior to, the date a "declaration of intent" to reimburse the costs was adopted by the Issuer. A copy of the declaration will be included in the closing transcript for the bonds.
6. Requisitions will be summarized in a "final allocation" of proceeds to uses not later than 18 months after the in-service date of the financed property (and in any event not later than 5 years and 60 days after the issuance and delivery of the bonds).
7. Expenditure of bond proceeds will be measured against the expectations as set forth in the Tax Certificate as to the spending of bond proceeds. Expected expenditure schedules, project timelines, and plans and specifications will be maintained to support expectations. Reasons for failure to meet the expected schedule will be documented and retained in the records for the bonds.
8. Expenditure of bond proceeds will be monitored for compliance with spending exceptions to the rebate requirement, as follows:
  - (a) If the 6-month spending exception to rebate applies, expenditure of the bond proceeds (excluding bona fide debt service funds) will be at least 100% complete within 6 months of the date of issuance.

- (b) If the 18-month spending exception to rebate applies, expenditure of bond proceeds will be monitored against the following schedule for the arbitrage rebate exception for the issue, if applicable:

- 15% within 6 months
- 60% within 12 months
- 100% within 18 months

- (c) If the 2-year spending exception to rebate applies, expenditure of “available construction proceeds” will be monitored against the following schedule for the arbitrage rebate exception for construction issues if applicable:

- 10% within 6 months
- 45% within 12 months
- 75% within 18 months
- 100% within 24 months

- 9. Bond-funded reserve funds, if any, cannot exceed the least of (i) 10% of the par amount of the bonds (or the issue price of the bonds, if there is more than a de minimis amount of original issue discount or premium), (ii) maximum annual debt service, and (iii) 125% of average annual debt service. The initial funding of any reserve fund will be measured against this limit.

## **VII. *Arbitrage Yield Restriction and Rebate Requirements***

- 1. To the extent applicable under the Record Retention Program adopted by the Issuer with respect to a particular series of bonds, the Coordinator shall create and maintain, or cause to be created and maintained, records as to arbitrage yield restriction and rebate requirements, as follows:
  - (a) Purchases or sales of investments made with bond proceeds (including amounts treated as “gross proceeds” of bonds under Section 148 of the Code) and receipts of earnings on those investments;
  - (b) The final allocation of the proceeds (including investment earnings on bond proceeds), of bonds issued by the Issuer;
  - (c) Information, when applicable, showing that the Issuer was eligible for any exemptions to the rebate requirements that were or will be claimed under the Code;
  - (d) Information, when applicable, sufficient to demonstrate to the IRS upon an audit of a bond issue that the bond issue has complied with one or more available spending exceptions to the arbitrage rebate requirement with respect to that bond issue;

- (e) Information and calculations, when applicable, that will be sufficient to demonstrate to the IRS upon an audit of a bond issue, for which an exception to the arbitrage rebate requirement was applicable, that the rebate amount, if any, that was payable to the United States of America with respect to investments made with gross proceeds of that bond issue was calculated and timely paid with Form 8038-T timely filed with the IRS; and
  - (f) Information and records showing that (i) investments held in yield-restricted advance refunding or defeasance escrows for bonds, and (ii) investments made with unspent bond proceeds after the expiration of the applicable temporary period, were not invested in higher-yielding investments.
2. If, from examination of the above-referenced records, it becomes clear that a payment is owed, the Coordinator will refer the matter to bond counsel or a rebate professional and will ensure that all necessary payments are made.

#### **VIII. *Use and Ownership of Bond-Financed Property***

Use of bond-financed property when completed and placed in service will be reviewed by the Coordinator.

1. Average use of bond-financed property for a private business use over the life of the issue cannot exceed 10% of the proceeds (including up to 2% for costs of issuance).
2. Average use of bond-financed property for a private business that is unrelated or disproportionate to the Issuer's use over the life of the issue cannot exceed 5% of the proceeds (including up to 2% for costs of issuance).
3. The Coordinator, or the designated Team Member, shall determine the Issuer's compliance with the 10% and 5% requirements in accordance with Section 141 of the Code and the regulations thereto.
4. Agreements with business users or non-profit organizations for lease or management or service contracts, sponsored research, naming rights or any other potential nonexempt use of bond-financed property will be reviewed prior to execution of any contract to determine if property subject to the agreement is bond-financed.
5. Agreements with business users or other non-profit organizations for lease or management or service contracts or other private business use involving bond-financed property will be tracked and aggregated with other private business uses for compliance with the limits as set forth in the Tax Certificate.

6. No item of tax-exempt bond-financed property will be sold or transferred to a nonexempt party without (i) an opinion of bond counsel that such sale or transfer will not cause interest on the bonds to cease to be tax-exempt; or (ii) advance arrangement of a “remedial action” under the applicable Treasury Regulations after consultation with bond counsel.
7. To the extent that the Issuer discovers that any of the above limitations have been violated, the Issuer will seek advice of the Issuer solicitor or bond counsel and take appropriate measures to remediate the violation, if necessary.

## **IX. Investments**

Investment of bond proceeds in compliance with any operative finance documents, the arbitrage bond rules and rebate of arbitrage will be supervised by the Coordinator.

1. GIC's will be purchased only using the three-bid “safe harbor” of applicable Treasury regulations (*see* Treas. Reg. § 1.148-5(d)(6)(iii)), in compliance with fee limitations on GIC brokers (*see* Treas. Reg. § 1.148-5(e)(2)(iii)); provided, however, that to the extent that the safe harbor provisions cannot be met, the Issuer will consult with the Issuer solicitor or bond counsel.
2. Other investments will be purchased only in market transactions.
3. Calculations of rebate liability will be undertaken as set forth above in numbered paragraph VII.

## **X. Refundings**

When tax-exempt bonds are used to refund other bonds (the “Refunded Bonds”), the new bonds (the “Refunding Bonds”) will be treated as having financed the property originally financed with the Refunded Bonds (or any bonds refunded by the Refunded Bonds), such that financed property must be tracked until the last bonds (whether Refunded Bonds or Refunding Bonds) attributable to that property are retired. The Coordinator will continue reviewing, or cause to be reviewed, the use of any bond-financed property until the last bonds attributable to that property are retired; except to the extent that tracking is no longer required due to the economic life of the property coming to an end.

The following tasks related to Advance Refunding Bonds will be carried out in connection with the issuance of the bonds by the Issuer's solicitor and/or bond counsel and a financial advisor and/or underwriter. The Coordinator should ensure that he understands what positions have been taken with respect to these matters.

Refunding Bonds the proceeds of which are used to retire Refunded Bonds more than 90 days after the issue date of the Refunding Bonds are “Advance Refunding Bonds.” Advance Refunding Bonds have additional federal tax requirements in order to be tax-exempt bonds. In order to comply with these additional requirements, the Issuer and its advisors will:

1. Confirm that the Issuer does not issue Advance Refunding Bonds that would violate the limit on the number of advance refundings for any of its tax-exempt bonds;
2. Confirm that the Refunded Bonds are being redeemed on their earliest call date or other allowable date;
3. Confirm that all non-bond proceeds amounts going into any Refunded Bond escrow comply with the rules relating to mixed escrows (meaning escrows which are funded with bond proceeds and non-proceeds) (*see* Treas. Reg. § 1.148-9(c)(2));
4. To the extent that investments other than United States Treasury Securities – State and Local Government Series (“SLGs”) will be placed in an escrow, confirm that SLGs were not a more efficient investment on the date of the bidding of any other type of investment; or, to the extent that SLGs sales have been suspended on such date, confirm that the safe harbors for determining the fair market value of yield-restricted defeasance escrows have been met (*see* Treas. Reg. 1.148-5(d)(6)(iii)). To the extent that SLGs are unavailable and the Issuer cannot obtain at least three bids to provide other investments, the Issuer will consult with the Issuer solicitor or bond counsel and a financial advisor or underwriter on how to proceed;
5. To the extent that an escrow funded with Advance Refunding Bond proceeds requires future purchases of 0% SLGs in order to comply with the applicable yield restrictions, the Issuer will purchase the 0% SLGs directly or, by written agreement, cause an escrow agent to purchase such SLGs. If the SLGs are to be purchased by an escrow agent, the Issuer will confirm or cause to be confirmed that such SLGs have actually been purchased, or, to the extent SLGs sales are suspended, comply with alternate procedures (which currently are provided in Rev. Proc. 95-47); and
6. Determine whether it will measure private business use using a combined measurement period (meaning starting with the issue date of the Refunded Bonds and ending with the final retirement of the Refunding Bonds) or separate measurement periods for the Refunded Bonds and the Refunding Bonds; provided, that the Issuer may not use separate periods if the Refunded Bonds were not in compliance with the private business use limits measured from their date of issuance to the date of issuance of the Refunding Bonds.

## **XI. *Correction of Violations***

The Issuer expects that its compliance with the procedures outlined in Articles IV - X above will prevent any violations of federal tax rules pertaining to its outstanding tax-exempt bonds (including any Refunded Bonds). However, if the Issuer discovers a potential violation through its ongoing monitoring or otherwise, it will determine in conjunction with its bond counsel whether a violation actually exists. If it is found that a violation actually exists, the Issuer will determine whether (i) any remedial actions are available, or (ii) a voluntary closing agreement

with the Internal Revenue Service is appropriate. The Issuer is specifically aware of the availability of the Tax Exempt Voluntary Closing Agreement Program, as described in the Internal Revenue Manual, Part 7, Chapter 2, Section 3. Common examples of violations are as follows:

1. Failure to purchase 0% SLGs at the appropriate time;
2. Non-exempt use of bond-financed property resulting in overall non-exempt use in excess of the 5% de minimis limit;
3. Failure to pay rebate in a timely manner; and
4. Improper reimbursement of expenditures (too old or not capital).

## **XII. *Continuing Disclosure Activity***

1. SEC Rule 15c 2-12 requires certain reporting commitments for certain bond issues. The Coordinator shall:
  - (a) Retain a copy of any Continuing Disclosure Agreement included in each official Transcript of Proceedings prepared in accordance with the issuance of bonds.
  - (b) Identify required filings as set forth in any Continuing Disclosure Agreement, which may include: quantitative financial information and operating data disclosed in the official statement, audited financial statements, changes in fiscal year, and other information as specified in any Continuing Disclosure Agreement.
  - (c) Refer to any Continuing Disclosure Agreement at least annually three months into each fiscal year of the Issuer to ensure that the Issuer will be providing the required filings at the correct time.
  - (d) Undertake, or cause to be undertaken (as set forth in subparagraph (g) below), all required filings at the required times through the Municipal Securities Rulemaking Board Electronic Municipal Market Access (“EMMA”), all as set forth in any Continuing Disclosure Agreement.
  - (e) Disclose events listed below within 10 days of occurrence, including:
    - i. Principal and interest payment delinquencies;
    - ii. Non-payment related defaults, if material;
    - iii. Unscheduled draws on debt service reserves reflecting financial difficulties;

- iv.        Unscheduled draws on credit enhancements reflecting financial difficulties;
  - v.         Substitution of credit or liquidity providers, or their failure to perform;
  - vi.        Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue of the security (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the securities, or other events affecting the tax status of the security;
  - vii.       Modifications to rights of holders of the bonds, if material;
  - viii.      Bond calls, if material;
  - ix.        Defeasances;
  - x.         Release, substitution or sale of property securing repayment of the bonds, if material;
  - xi.        Rating changes;
  - xii.      Tender offers;
  - xiii.     Bankruptcy, insolvency, receivership, or a similar proceeding by an obligated person;
  - xiv.      Consummation of a merger, consolidation, acquisition, or sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
  - xv.      Appointment of a successor or additional trustee or paying agent or the change of name of a trustee or paying agent, if material.
- (f)       Educate officials of the Issuer as to the events listed in subparagraph (e) above to make it more likely that an event will be identified as requiring disclosure upon occurrence.
  - (g)       Determine if it is in the best interest of the Issuer to retain a third-party dissemination agent to facilitate post-issuance continuing disclosure/filing and other requirements. In the event a third-party dissemination agent is retained, the Coordinator shall be responsible for interacting with such agent.

2. The Coordinator also shall determine if any bond purchase agreement requires the Issuer to notify underwriters of any fact or event that might cause the official statement to contain any untrue statement or omit a material fact, and make such notification as necessary.

### **XIII. *Other Required Reporting***

For each issue of bonds, the Coordinator will, as required by any finance documents or covenants associated with such issue, or as required by laws or regulations governing such issue:

1. Determine all reporting requirements of the Issuer, if any, and undertake all such reporting requirements, as and when required by the finance documents, which may include but not be limited to:
  - (a) Proof of insurance coverage;
  - (b) Proof of compliance with rate covenants or other financial covenants; and
  - (c) Budgets and other financial reports as and when required.
2. Maintain all records necessary to satisfy such reporting requirements.
3. Determine what information, if any, must be filed with other entities such as trustees or paying agents, banks, rating agencies, dissemination agents, bond insurers, credit enhancers, etc., and make such filings as necessary.
4. Determine what, if any, state and local requirements are applicable to any issue, which may include but not be limited to:
  - (a) Providing proof of filing UCC statements, as applicable;
  - (b) Monitoring continuation statements, as necessary; and
  - (c) Providing proof of filing recorded mortgages, deeds of trust, etc., with appropriate authorities.
5. Monitor compliance with restrictions on transfers of property, including liens and encumbrances.
6. Ensure compliance with restrictions on derivative and swap contracts.



**Resolution**  
of the  
City of Easton, Pennsylvania

No.       -2014

Date: January 8, 2014

Introduced by:       Elinor Warner

RESOLVED, that the Council of the City of Easton, Pa. has reviewed and approves a Water Line Easement Agreement, copy attached hereto, between the City of Easton, Pa., the Suburban Water Authority and the Redevelopment Authority of Easton, Pennsylvania.

BE IT FURTHER RESOLVED, that Council authorizes the Mayor and City Controller to sign said Agreement on behalf of the City and the City Clerk to attest to same.

This is to certify that the above Resolution was adopted by the City Council on the above date.

Attest: \_\_\_\_\_

City Clerk

Signed: \_\_\_\_\_

Mayor

# **Resolution**

of the  
City of Easton, Pennsylvania

No. 16-2014

Date: January 8, 2014

Introduced by: Jeff Warren  
Co-sponsored by Ken Brown, Elinor Warner, Roger Ruggles, James Edinger,  
Sandra Vulcano and Salvatore J. Panto Jr.

WHEREAS, Human trafficking, including sexual slavery and forced labor, is one of the most heinous crimes committed across the globe and within the United States plaguing both urban and rural areas; and

WHEREAS, to combat human trafficking within the City of Easton, Commonwealth of Pennsylvania, United States and throughout the world, people and governments must be aware of human trafficking and must confront this contemporary manifestation of slavery; and

WHEREAS, victims of human trafficking need support in order to escape and recover from the physical, mental, emotional, and spiritual trauma associated with their victimization; and

WHEREAS, although laws to prosecute perpetrators of human trafficking and to assist and protect victims of human trafficking have been enacted, awareness of the issues surrounding human trafficking by those most likely to come in contact with victims is essential to effective enforcement because the techniques that traffickers use for enslaving their victims severely limit self-reporting; and

WHEREAS, individuals, public agencies, private organizations and businesses in the City of Easton should join together and work to end human trafficking through education.

NOW THEREFORE BE IT RESOLVED that the City of Easton, in joining in this national observance recognizes January 2014 as Human Trafficking Awareness & Prevention Month.

This is to certify that the above Resolution was adopted by the City Council on the above date.

Attest: \_\_\_\_\_  
City Clerk

Signed: \_\_\_\_\_  
Mayor