

CITY OF CORRY

ERIE COUNTY, PENNSYLVANIA

ORDINANCE NO. 1632

COUNCIL BILL 23-01

AN ORDINANCE AUTHORIZING THE INCURRENCE OF LEASE RENTAL DEBT THROUGH THE ISSUANCE AND SALE OF A GUARANTEED REVENUE NOTE SERIES OF 2023 IN A MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$1,000,000.00 (THE "NOTE") BY THE MUNICIPAL AUTHORITY OF THE CITY OF CORRY (THE "AUTHORITY") AND A GUARANTY AGREEMENT SECURING AND GUARANTEEING THE NOTE (THE "GUARANTY") BY THE CITY OF CORRY ("CITY") IN THE AGGREGATE MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$1,000,000.00, AT A PRIVATE SALE TO THE REDEVELOPMENT AUTHORITY OF THE COUNTY OF ERIE (THE "COUNTY RDA"), FOR THE PURPOSE OF FINANCING ALL OR PART OF: (I) A PUBLIC SEWER SYSTEM CAPITAL IMPROVEMENT PROJECT, AND (II) THE COSTS INCURRED IN CONNECTION WITH THE ISSUANCE AND SALE OF THE NOTE AND GUARANTY; APPROVING THE ISSUANCE OF THE GUARANTY TO THE COUNTY RDA AS THE PURCHASER OF THE NOTE; APPROVING THE FORM OF THE NOTE AND GUARANTY; PROVIDING THE ANNUAL RATE OF INTEREST AND THE MAXIMUM GUARANTEED PRINCIPAL AMOUNTS TO BE PAID UNDER THE GUARANTY; MAKING COVENANTS FOR THE PAYMENT OF THE GUARANTY OBLIGATIONS; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE CITY FOR THE PAYMENT THEREOF; CREATING A SINKING FUND AND APPOINTING A SINKING FUND DEPOSITORY; AUTHORIZING THE APPROPRIATE OFFICERS OF THE CITY TO TAKE CERTAIN ACTIONS AND TO ISSUE, EXECUTE AND DELIVER CERTAIN DOCUMENTS, INCLUDING THE GUARANTY AND ANY NECESSARY AMENDMENTS TO THE LEASE AGREEMENT BETWEEN THE CITY AND THE AUTHORITY, TO OBTAIN THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT RELATING TO THE GUARANTY, TO CONSUMMATE THE GUARANTY TRANSACTION WITH THE COUNTY RDA, AND TO TAKE SUCH FURTHER ACTION AS NECESSARY TO EFFECT THE FOREGOING PURPOSES; AND PROVIDING FOR THE REPEAL OF ALL INCONSISTENT ORDINANCES OR PARTS OF ORDINANCES.

WHEREAS, the City of Corry (the "City") is a local government unit under the provisions of the Pennsylvania Local Government Unit Debt Act (the "Act"); and

WHEREAS, The Municipal Authority of the City of Corry (the "Authority") is a municipal authority organized by appropriate action of the City and existing under the Pennsylvania Municipality Authorities Act; and

WHEREAS, the Authority owns the public sewer system ("Sewer System") in and around the City, and the City operates the Sewer System pursuant to a Lease Agreement between the Authority and the City; and

WHEREAS, in order to undertake Phases 1A and 1B of the Corry public sewer system capital improvements upgrade project, including preparation of a comprehensive Pennsylvania Sewage Facilities Act Plan ("Act 537 Plan") for PADEP approval, and design and permitting of that PADEP-approved Act 537 capital improvements upgrade project for the Corry public sewer system, and engineering and legal work related thereto (the "Sewer Project"), the Authority has determined it is in its best interest to incur lease rent debt by issuing its guaranteed revenue note in an amount not to exceed \$1,000,000.00 (the "Note") to finance all or part of: (1) the Sewer Project; and (2) the costs and expenses incurred in connection with the issuance and sale of the Note and the Guaranty (the "Project"); and

WHEREAS, the Authority has determined it is in its best interest to sell the Note by private sale to the Redevelopment Authority of the County of Erie (the "County RDA"), the terms of which sale are described below and subject to the approval of lease rental debt proceedings under the Act; and

WHEREAS, in order to secure the payment of all amounts due under the Note to the County RDA, the City desires to enter into a Guaranty Agreement (the "Guaranty") in favor of the County RDA providing for the unconditional guarantee by the City of all amounts due under the Note and to pledge the City's full faith, credit and taxing power to discharge all of its obligations under the Guaranty; and

WHEREAS, the above-referenced Guaranty by the City constitutes the incurrence of lease rental debt under the Act; and

WHEREAS, it is necessary that the indebtedness of the City be increased by the incurrence of such lease rental debt for the purpose of the Project; and

WHEREAS, the proposed increase of such lease rental debt, together with nonelectoral indebtedness and its lease rental indebtedness presently outstanding, will not cause limitations of the City's lease rental debt incurring power, pursuant to constitutional and statutory authority, to be exceeded.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the City of Corry, Erie County, Pennsylvania, and it is hereby ordained and enacted by the authority of the City of Corry as follows:

SECTION 1. The City hereby approves the Project.

SECTION 2. The City hereby intends and determines to incur debt as such term is defined in the Act, which shall be lease rental debt of the City pursuant to the Act, in connection with the Project and as set forth in this Ordinance.

SECTION 3. The realistic estimated useful life of the Project is in excess of 30 years, which exceeds the proposed maturity of the Note.

SECTION 4. The maximum principal amount of the Note to be issued by the Authority and secured by the City's Guaranty is not to exceed \$1,000,000.00. The term of the Note shall be no more than fifty-nine (59) months. The interest rate on the Note shall be a fixed rate of 1.0% per annum. Principal and interest shall be due and payable on a monthly basis in equal installments of \$3,000.00, with all remaining unpaid principal balance due at maturity. The Note shall be secured by, among other things, the Guaranty of the City. The form of the Note shall be substantially as that attached as Exhibit A hereto, subject only to such amendment as may be agreed upon by the County RDA and approved by the City's Solicitor and the Mayor of the City. The maximum annual debt service on the Note is \$36,000.00, plus a final balloon payment in the amount of \$876,573.83.

SECTION 5. The City hereby authorizes, directs and approves the incurring of lease rental debt of the City pursuant to the Act, in the maximum principal amount not to exceed \$1,000,000.00 to secure and guarantee the Note, and to be evidenced by the Guaranty to be issued by the City in favor of the County RDA and a Lease Amendment between the City and the Authority as described in this Ordinance. The form of the Guaranty is hereby approved and shall be filed with this Ordinance as Exhibit B hereto in the official records of the City, and shall be available for inspection at reasonable times by any interested persons. The Mayor of the City and the City Clerk (the "Proper Officers") are hereby authorized to execute and deliver the Guaranty substantially in the form attached as Exhibit B hereto, subject only to such amendment as may be agreed upon by the County RDA and approved by the City's Solicitor and the Mayor.

SECTION 6. The City has determined that a private sale of the Note by negotiation rather than public sale is in the best financial interest of the City. Therefore, the City hereby approves and authorizes the issuance of the Guaranty to the County RDA as the purchaser of the Note, subject to and in accordance with the Authority's issuance and sale of the Note to the County RDA.

SECTION 7. As provided in the Guaranty, the City does hereby covenant with the County RDA and the Authority as follows: (i) to include the amounts payable in respect of its Guaranty for each of its fiscal years in which such sums shall be payable, in its budget for that fiscal year; (ii) to appropriate such amounts from its general revenues for payment of its obligations under the Guaranty; (iii) to duly and punctually pay or cause to be paid from its sinking fund (as hereinafter set forth), or any other of its revenues or funds, the amount payable in respect of the Guaranty, at the dates and places and in the manner stated in the Guaranty, according to the true meaning and intent thereof; and (iv) for such budgeting, appropriation, and payment in respect to the Guaranty, the City shall, and hereby does pledge irrevocably, its full faith, credit, and taxing power. This covenant shall be specifically enforceable.

SECTION 8. The maximum annual amounts of principal and interest covenanted to be paid by the City, with respect to the Note, as set forth in the Guaranty, shall be payable, if and as necessary, in such amounts as set forth in the Debt Service Schedule attached hereto as Schedule I. The City hereby finds and determines that the Note is to be issued with a final stated maturity date which does not exceed the reasonably expected useful life of the Sewer Project.

SECTION 9. The City hereby creates and establishes a sinking fund, as defined by the Act with respect to its obligations under the Guaranty, and the County RDA is hereby designated as the sinking fund depository and paying agent, as defined by the Act, with respect to the obligations of this City under the Guaranty.

SECTION 10. The Proper Officers of the City are authorized and directed to enter into an Amendment to Lease Agreement with the Authority whereby the City will continue to make lease rental payments to the Authority in such amounts as will be necessary to pay the debt service on the Note with the County RDA and such Amendment to Lease Agreement. The Amendment to Lease Agreement is approved and the officers are directed to execute the Amendment to Lease Agreement.

SECTION 11. The Proper Officers of the City are authorized and directed to (i) make application to the Pennsylvania Department of Community and Economic Development ("DCED") for approval of the Guaranty as required by Section 8111(b) of the Act; (ii) to prepare, certify, and file with DCED on behalf of the City the debt statement, as defined in Section 8110 of the Act, and the borrowing base certificate appended to such debt statement, and (iii) in connection with such application to pay or cause to be paid the applicable fee.

SECTION 12. The Proper Officers of the City are authorized and directed to prepare any statements required by the Act to qualify all or a portion of the lease rental debt for exclusion from the appropriate debt limit as self-liquidating debt under the Act. As applicable, the City's consulting engineer is hereby authorized and directed to prepare a report to the City in conformity with the provisions of Section 8026 of the Act in order that the debt evidenced by the Note may be excluded as self-liquidating debt in determining the net debt of the City under the Act. Nothing contained in this Section 12 shall limit, restrict or impair in any respect the covenants of the City contained in Section 7 hereof.

SECTION 13. After obtaining the Department's approval under the Act as referenced above, the Proper Officers of the City are authorized and directed to execute and deliver the Guaranty to the County RDA, and to execute and deliver all other required loan documents and take all other necessary actions to consummate the Guaranty transaction with the County RDA.

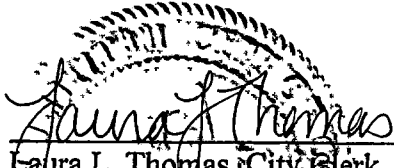
SECTION 14. The Proper Officers of the City are authorized and directed to execute and deliver all other documents and to take all other action as may be necessary and proper to carry out the intent and purpose of this Ordinance and the undertakings of the City under the Guaranty.

SECTION 15. In the event any provision, section, sentence, or clause, or part of this Ordinance shall be held invalid, such invalidity shall not impair or affect any remaining provision, section, sentence, clause, or part of the Ordinance from remaining in full force and effect. This Ordinance shall become effective in accordance with the provisions of the Act.

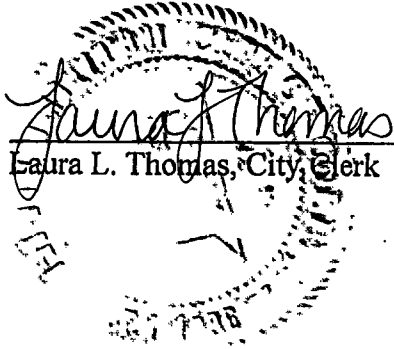
SECTION 16. All ordinances or parts of ordinances that are inconsistent herewith are repealed.

ORDAINED AND ENACTED this 16th day of January, 2023.


ATTEST:



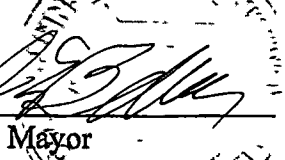
Laura L. Thomas, City Clerk



City of Corry



Michael E. Baker, Mayor



(SEAL)

CERTIFICATE

I, the undersigned Clerk of the City of Corry, Erie County, Pennsylvania, does hereby certify that the foregoing and attached is a true and correct copy of an Ordinance of said local government unit, which was duly enacted by the affirmative vote of the members of the governing body at a meeting thereof duly called and held on the 16th day of January, 2023, after due notice to the members and to the public and which was at all times open to the public, that the same was examined and approved by the members of the governing body and was duly recorded in the Ordinance Book of said local government unit and was published as required by law in the Erie Times-News, a newspaper of general circulation in said local government unit.

I further certify that the total number of members of the governing body of the local government unit is five (5); that the vote upon said Ordinance was called and duly recorded on the minutes of said meeting and that the members voted in the manner following:

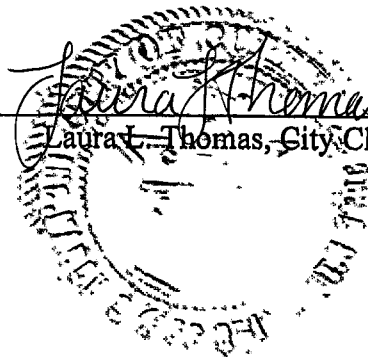
<u>Member</u>	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Michael E. Baker	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
William J. Roche	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Andrew H. Sproveri	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Jeffrey T. Fike	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Kristen D. Lindstrom	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>

WITNESS my hand and the seal of the City of Corry, Erie County, Pennsylvania, this 16th day of January, 2023.

City of Corry

SEAL

By: Laura Thomas
Laura Thomas, City Clerk



THE MUNICIPAL AUTHORITY OF THE CITY OF CORRY

GUARANTEED REVENUE NOTE, SERIES OF 2023

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Dated Date</u>	<u>Maturity Date</u>
\$1,000,000.00	1.0%	February 15, 2023	December 1, 2027

FOR VALUE RECEIVED, THE MUNICIPAL AUTHORITY OF THE CITY OF CORRY, a Pennsylvania body corporate and politic, organized and existing under the Pennsylvania Municipality Authorities Act, as amended (the "Act"), of the City of Corry, Erie County, Pennsylvania (the "Borrower"), intending to be legally bound, promises to pay to the REDEVELOPMENT AUTHORITY OF THE COUNTY OF ERIE (the "Lender"), at its address at 1314 Griswold Plaza, Erie, Pennsylvania 16501 or such other address as the Lender may direct in writing from time to time, in such coin or currency as at the time and place of payment is legal tender for the payment of public and private debts, without any right of set-off, the Principal Amount set forth above, plus interest at the rate set forth herein, in the manner set forth hereinbelow.

This Note is issued pursuant to a proposal dated December 22, 2022 from Lender and a resolution of the Borrower dated January 17, 2023 (the "Resolution"), to accomplish the public purposes of the Act, including financing a project thereunder (the "Project"), as defined and described in the Resolution.

1. Rate of Interest. Prior to the occurrence of an Event of Default, the outstanding principal balance of the Note shall bear interest at a rate equal to One and 00/100 Percent (1.0%) per annum.

2. Payment Terms. Payments of principal and interest shall be made as follows: (a) An initial partial month interest-only single payment of \$383.56 shall be made on or before March 1, 2023; (b) Thereafter, fifty-six (56) equal monthly installments of \$3,000.00 each, commencing April 1, 2023, and continuing on the same day each successive month through and including November 1, 2027 shall be made; and (c) then on December 1, 2027 (the "Maturity Date") a single balloon payment equal to the entire outstanding principal balance hereof, together with all unpaid interests thereon, shall be due and payable in full.

If any payment under this Note shall become due on a Saturday, Sunday or public holiday under the laws of the State where the Lender's office indicated above is located, such payment shall be made on the next succeeding business day and such extension of time shall be included in computing interest in connection with such payment. Payment received will be applied to charges, fees and expenses (including attorneys' fees), accrued interest and principal in any order the Lender may choose, in its sole discretion.

3. Late Payments: Default Rate. If the Borrower fails to make any payment of principal, interest or other amount coming due pursuant to the provisions of this Note within 15 calendar days of the date due and payable, the Borrower also shall pay to the Lender a late charge equal to the greater of five percent (5%) of the amount of such payment or \$100.00 (the "Late Charge"). Such fifteen-day period shall not be construed in any way to extend the due date of any such payment. Upon maturity, whether by acceleration, demand or otherwise, and at the Lender's option upon the occurrence of any Event of Default (as hereinafter defined) and during the continuance thereof, this Note shall bear interest at a rate per annum which shall be equal to the Loan rate plus three percent (3%) but not more than the maximum

rate allowed by law (the "Default Rate"). The Default Rate shall continue to apply whether or not judgment shall be entered on this Note.

4. Events of Default; Remedies. The occurrence of any of the following events shall be deemed an Event of Default under the Note:

(a) Default in the payment of principal or interest on the Note for a period in excess of fifteen (15) days or any other default under the terms of the Note; or

(b) Default in the performance of any covenant or agreement set forth in the Resolution, or in the Note, or the occurrence of a default under any other agreement between the Borrower and the Lender; or

(c) Any representation or warranty made by the Borrower is untrue or incomplete in any material respect or any schedule, statement, report, warranty, representation, notice or writing furnished by the Borrower pursuant to the Resolution is untrue or incomplete in any material respect on the date as of which the facts set forth are stated or certified; or

(d) The Borrower shall fail or refuse to comply with any provisions of the Local Government Unit Debt Act, or shall fail or refuse to cause the City of Corry as guarantor of this Note to comply, or shall for any reason be rendered incapable of fulfilling its obligations under the Note or thereunder; or

(e) The Borrower shall become insolvent or shall be unable to pay its debts as they mature, or the Borrower shall cease operations, file a voluntary petition in Bankruptcy or a voluntary petition seeking reorganization or to effect a plan or other arrangement with creditors, or shall file an answer admitting the jurisdiction of the court and the material allegations of any involuntary petition pursuant to any Act of Congress relating to Bankruptcy, or shall be the subject of any order for relief, or shall make an assignment for the benefit of creditors or make an assignment to an agent (authorized to liquidate any substantial amounts of the assets of the Borrower), or shall apply for or consent to or suffer the appointment of a receiver or trustee for the Borrower or a substantial part of its property; or

(f) An order for relief shall be entered pursuant to an Act of Congress or any law of the Commonwealth of Pennsylvania relating to Bankruptcy with respect to an involuntary petition seeking reorganization of, or an order shall be entered appointing any receiver or trustee for, the Borrower or a substantial part of its property, or a writ or warrant of attachment or any similar process shall be issued against a substantial part of the property of the Borrower, or an order shall be entered at either the state court level enjoining or preventing the Borrower from conducting all or any part of its business as it is usually conducted, or garnishment proceedings shall be instituted by attachment, levy or otherwise, against any deposit balance maintained, or any property deposited, with the Lender by the Borrower.

Upon the occurrence of an Event of Default: (a) the outstanding principal balance, accrued interest hereunder, together with any additional amounts payable hereunder shall, at the option of the Lender, be accelerated and become immediately due and payable without demand or notice of any kind; (b) at the Lender's option, this Note will bear interest at the Default Rate from the date of the occurrence of the Event of Default; and (c) the Lender may exercise from time to time any of the rights and remedies available under this Note or under applicable law.

5. Prepayment. At the option of the Borrower, the indebtedness evidenced by this Note may be prepaid in whole or in part at any time without penalty.

6. Miscellaneous.

(a) All notices, demands, requests, consents, approvals and other communications required or permitted hereunder must be in writing (except as may be agreed otherwise above with respect to borrowing requests) and will be effective upon receipt. Such notices and other communications may be hand-delivered, sent by facsimile transmission with confirmation of delivery and a copy sent by first-class mail, or sent by nationally recognized overnight courier service, to the addresses for the Lender and the Borrower set forth above or to such other address as either may give to the other in writing for such purpose. No delay or omission on the Lender's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Lender's action or inaction impair any such right or power. No modification, amendment or waiver of any provision of this Note or consent to any departure by the Borrower therefrom will be effective unless made in a writing signed by the Lender. The Borrower agrees to pay on demand, to the extent permitted by law, all costs and expenses incurred by the Lender in the enforcement of its rights in this Note and in any security therefore, including without limitation reasonable fees and expenses of the Lender's counsel. If any provision of this Note is found to be invalid by a court, all the other provisions of this Note will remain in full force and effect. The Borrower and all other makers or endorsers of this Note hereby forever waive presentment, protest, notice of dishonor and notice of non-payment. The Borrower also waives all defenses based on suretyship or impairment of collateral. If this Note is executed by more than one person or entity, the obligations of such persons or entities hereunder will be joint and several. This Note shall bind the Borrower and its successors and assigns, and the benefits hereof shall inure to the benefit of the Lender and its successors and assigns, and the benefits hereof shall inure to the benefit of the Lender and its successors and assigns; provided, however, that the Borrower may not assign this Note in whole or in part without the Lender's written consent and the Lender at any time may assign this Note in whole or in part.

(b) No recourse shall be had for the payment of the principal of or the interest on this Note, or for any claim based hereon, against any officer, agent or employee, past, present or future, of the Borrower, as such, either directly or through the Borrower, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise; all such liability of such officers, agents or employees is hereby renounced, waived and released as a condition of and as consideration for the issuance, execution and acceptance of this Note.

(c) It is hereby certified that all acts, conditions and things required to be done, to occur or be performed precedent to and in the issuance of this Note, or in the creation of the indebtedness of which this Note is evidence, have been done, have occurred and have been performed in regular and due form and manner as required by law, and that the debt evidenced by this Note is not in excess of any constitutional or statutory limitation.

(d) This Note has been delivered to and accepted by the Lender and will be deemed to be made in the Commonwealth of Pennsylvania. THIS NOTE WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE LENDER AND THE BORROWER DETERMINED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, EXCLUDING ITS CONFLICT OF LAWS RULES. The Borrower hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in the Borrower or judicial district where the Lender's office indicated above is located; provided that nothing contained in this Note will prevent the Lender

from bringing any action, enforcing any award or judgment or exercising any right against the Borrower individually, against any security or against any property of the Borrower within any other city, state or other foreign or domestic jurisdiction. The Borrower acknowledges and agrees that the venue provided above is the most convenient forum for both the Lender and the Borrower. The Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Note.

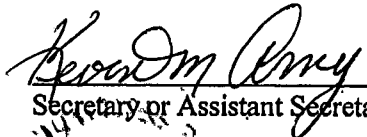
7. WAIVER OF JURY TRIAL. THE BORROWER IRREVOCABLY WAIVES ANY AND ALL RIGHTS THE BORROWER MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS NOTE, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS NOTE OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE BORROWER ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

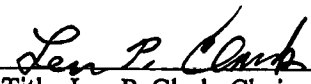
The Borrower acknowledges that it has read and understood all provisions of this Note, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

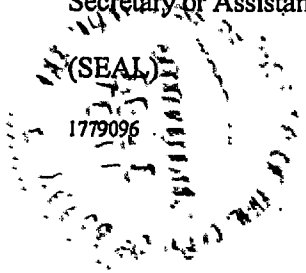
WITNESS the due execution hereof as a document under seal, as of the date first written above, with the intent to be legally bound hereby.

ATTEST:

THE MUNICIPAL AUTHORITY OF THE
CITY OF CORRY


Secretary or Assistant Secretary

By: 
Title: Len P. Clark, Chairman



GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT is dated as of the ___ day of _____, 2023 by and among **THE MUNICIPAL AUTHORITY OF THE CITY OF CORRY**, a body corporate and politic, organized under and existing pursuant to the provisions of the Municipality Authorities Act of 2001, Act 22 of 2001, as amended (the "Authority") with an address of 100 South Center Street, Corry, Pennsylvania 16407, **CITY OF CORRY**, a political subdivision of the Commonwealth of Pennsylvania (the "City"), with an address of 100 South Center Street, Corry, Pennsylvania 16407, and the **REDEVELOPMENT AUTHORITY OF THE COUNTY OF ERIE** (the "Lender"), with an address of 1314 Griswold Plaza, Erie, Pennsylvania 16501.

WITNESSETH THAT:

WHEREAS, the Authority is organized under and pursuant to the laws of the Commonwealth of Pennsylvania, particularly the Municipality Authorities Act of 1945, P.L. 382, as amended, repealed and re-codified by Act of June 19, 2001, P.L. 287, No. 22, 53 Pa. C.S. § 5601 et. seq., (the "Act"), having been duly incorporated by the City; and

WHEREAS, the Authority is authorized by law, among other things, to acquire, hold, lease, construct, finance, improve, maintain, administer and operate a public sewer system, and to borrow money, to make and issue negotiable bonds and notes and to secure the payment of such bonds or notes by pledge or deed to trust of all or any of its receipts and revenues and to make such agreements with the purchasers or owners of such bonds or notes or with others in connection with any such bonds or notes, whether issued or to be issued, as the Authority deems advisable; and

WHEREAS, the City is authorized by law to guarantee the payment of obligations of other municipal corporations when appropriate and in its best to serve the health, safety and welfare of its citizens; and

WHEREAS, the Authority owns the public sewer system ("Sewer System") in and around the City, and the City operates the Sewer System pursuant to a Lease Agreement between the Authority and the City; and

WHEREAS, in order to undertake Phases 1A and 1B of the Corry public sewer system capital improvements upgrade project, including preparation of a comprehensive Pennsylvania Sewage Facilities Act Plan ("Act 537 Plan") for PADEP approval, and design and permitting of that PADEP-approved Act 537 capital improvements upgrade project for the Corry public sewer system, and engineering and legal work related thereto (the "Sewer Project"), the Authority has determined it is in its best interest to incur lease rental debt by issuing its guaranteed revenue note in an amount not to exceed \$1,000,000.00 (the "Note") to finance all or part of: (1) the Sewer Project; and (2) the costs and expenses incurred in connection with the issuance and sale of the Note and the Guaranty (the "Project"); and

WHEREAS, as a condition precedent to the lending of the money evidenced by the Note, the Lender has required a guaranty by the City of the payment of debt service on the Note; and

WHEREAS, the City desires to guarantee repayment of the Note in the event the Authority is unable to make such repayment;

NOW, THEREFORE, THE PARTIES hereto, in consideration of the foregoing and intending to be legally bound, DO HEREBY COVENANT AND AGREE as follows:

1. Certain Definitions. Unless the context clearly indicates otherwise, the following terms, and terms defined in the Note Resolution shall, for the purpose of this Guaranty, have the meanings hereby or in the Note Resolution ascribed to them. Moreover, such terms shall be read and understood in a manner consistent with the provisions of the Act, the Debt Act, the Note Resolution, related corporate resolutions, financing documents and instruments of the Authority and the City hereinafter identified, as generally interpreted by courts maintaining competent jurisdiction. Words or phrases importing the masculine gender shall be read and understood to include the feminine and neuter genders and those importing number shall include singular or plural, both as appropriate to the context. The word "person," in addition to natural persons, shall mean and include corporations, associations and public bodies and their successors unless the context shall indicate otherwise.

"Act" shall mean the Municipality Authorities Act of 2001, Act 22 of 2001, as amended.

"Debt Act" shall mean the Local government Unit Debt Act, codified by the Act of December 19, 1996, P.L. 1158, No. 177.

"Debt Ordinance" shall mean the formal action taken by the City according to the requirements of the Debt Act in order to authorize and incur the lease rental indebtedness represented by this Guaranty, in respect of the Note.

"Guaranty" shall mean this Guaranty Agreement by and among the Authority, the City and the Lender.

"Interest Payment Date(s)" shall mean the dates upon which payments of interest are due pursuant to the terms of the Note.

"Note Resolution" shall mean the formal action of the Board of the Authority, adopted January 17, 2023 authorizing among other things, the Note and setting forth the terms and conditions of its payment, including the execution and delivery of this Guaranty by the City.

"Principal Payment Date" shall mean the dates upon which payments of principal are due pursuant to the terms of the Note.

2. Representations and Warranties.

a. The Authority represents and warrants that:

(i) The Authority is a body corporate and politic of the Commonwealth of Pennsylvania organized under and existing pursuant to the provisions of the Act, and is duly authorized by law to plan, acquire, hold, construct, own, lease, operate and maintain the Sewer System;

(ii) The Authority is authorized by law to execute, deliver and perform its duties under this Guaranty and to borrow moneys upon the terms and conditions provided in the Note Resolution; and the execution and delivery of the Note has been duly authorized by all necessary corporate action on the part of the Authority.

(iii) There are no actions, suits or proceedings pending, or, to the knowledge of the Authority, threatened against or affecting the Authority before any court or any governmental

L department or agency which may adversely affect the Authority or its ability to make or carry out the provisions of this Guaranty, the Note Resolution, or its ability to repay the Note issued thereunder; there are not, to the knowledge of the Authority, any claims involving the Authority except immaterial claims arising in the ordinary course of its operations; the Authority is not a party to any contract or agreement or subject to any charter or other corporate restriction of any kind which adversely affects its present or prospective operations, properties or assets or its ability to repay the Note; and neither the execution and delivery of this Guaranty, the Note Resolution, the consummation of the transactions contemplated herein or therein, nor compliance with the terms and conditions hereof or thereof or of the Note will conflict with or result in a breach of the terms, conditions or provisions of the Articles of Incorporation or By-laws of the Authority or of any indenture, agreement or other instrument to which the Authority is a party or by which it is bound; and

(iv) The proceeds of the Note will be applied by the Authority solely for the purpose of the payment of the costs of the Project.

b. The City represents and warrants that:

(i) The City is a political subdivision of the Commonwealth of Pennsylvania.

(ii) The City is authorized by law, including the Debt Act, to execute, deliver and perform its duties under this Guaranty and the execution and delivery of this Guaranty has been duly authorized by all necessary corporate action on the part of the City.

L (iii) There are no actions, suits or proceedings pending, or, to the knowledge of the City, threatened against or affecting the City before any court or any governmental department or agency which may adversely affect the City or its ability to make or carry out the provisions of this Guaranty; there are not, to the knowledge of the City, any claims involving the City except immaterial claims arising the ordinary course of its operations; the City is not a party to any contract or agreement or subject to any charter or other corporate restriction of any kind which adversely affects its present or prospective operations, properties or assets or its ability to satisfy its obligations hereunder; and neither the execution and delivery of this Guaranty, the consummation of the transactions contemplated herein, nor compliance with the terms and conditions hereof will conflict with or result in a breach of the terms, conditions or provisions of any contract, agreement or other instrument to which the City is a party or by which it is bound.

3. Guaranty of City. The City hereby guarantees unto the Lender the full and prompt payment of the principal of, premium (if any) on, and interest on the Note as and when due and payable, whether a monthly installment, at maturity, upon mandatory redemption, by acceleration or other requirement of the provisions of the Note Resolution or otherwise, as and to the extent that the principal, premium (if any) and interest are not paid as and when due and payable by the Authority. This Guaranty shall remain in full force and effect until the Note is paid in full.

L a. In furtherance thereof, the City covenants and agrees with the Lender that if the Authority fails to pay the full amount of the principal of, premium (if any) on or interest on or in respect of the Note as and when due and payable, and City shall duly and punctually advance the moneys required, on the dates and at the places and in the manner stated in the Note and in the Note Resolution according to the true intent and meaning thereof. The City further represents and covenants to the Lender that it will (a) include the amounts payable in respect of this Guaranty for each fiscal year in which such amounts shall be payable, in its budget for that year, (b) appropriate such amounts from its general revenues for the payment of such Guaranty obligations, and (c) duly and punctually pay or cause to be

paid from its sinking fund or any other of its revenues or funds, to the extent of its obligation, the amount payable in respect of the Guaranty, as and when due and payable, at the dates, times and places, under the conditions and in the manner stated and prescribed in the Guaranty, according to the true intent and meaning thereof. For such budgeting, appropriation and full and prompt payment of said amounts in respect to this Guaranty, the City hereby pledges its full faith, credit and taxing power, including unlimited ad valorem taxes to be levied upon all property in the City taxable for municipal purposes, and other general revenues of the City available for such purposes. The City agrees that this covenant is specifically enforceable. All payments by the City will be paid in lawful money of the United States of America. This Guaranty is intended to be a contract of guaranty and not one of suretyship under the laws of the Commonwealth of Pennsylvania.

b. This is an absolute, unconditional, irrevocable and continuing guaranty and will remain in full force and effect until the Note has been indefeasibly paid in full, and the Lender has terminated this Guaranty. This Guaranty will not be affected by any surrender, exchange, acceptance, compromise or release by the Lender of any other party, or any other guaranty or any security held by it for the Note, by any failure of the Lender to take any steps to perfect or maintain its lien or security interest in or to preserve its rights to any security or other collateral for the Note or any guaranty, or by any irregularity, unenforceability or invalidity of the Note or any part thereof or any security or other guaranty thereof. The City's obligations hereunder shall not be affected, modified or impaired by any counterclaim, set-off, deduction or defense based upon any claim the City may have against the Authority or the Lender except payment or performance of the Note.

c. Notice of acceptance of this Guaranty, notice of default, diligence, presentment, notice of dishonor, protest, demand for payment, and any defense based upon the Lender's failure to comply with the notice requirements of the applicable version of the Uniform Commercial Code are hereby waived.

d. The Lender shall exercise reasonable care and diligence in monitoring the affairs of the Authority and the performance of its obligations under the Note Resolution in order to advise the City when possible, of any pending default by the Authority; provided, however, that no such action of the Lender shall be a precondition to performance by the City of its duties hereunder and each and every notice and demand for payment by the Lender hereunder shall have immediate effect, with no period of notice or anticipation.

4. Audits. The City and Authority shall submit copies of their annual financial audits to the Lender annually not later than 180 days after the close of the fiscal year of each during the period of this Guaranty.

5. Operation of Sewer System; Reimbursement. The Authority covenants and agrees with the City (and those covenants are specifically enforceable or in lieu thereof may be administered by the City) that it will not, without the prior written consent of the City which consent shall not be unreasonably withheld: (i) make or consent to any alteration (including, without limitation, any extension of the time of payment of principal of, premium (if any) on or interest on the Note; or (ii) fail, neglect or refuse to carry out its duties under the Note Resolution, (including its duty to operate the Sewer System in an efficient and economic manner and maintain it in a good repair, and its duty to comply with all lawful acts, rules and regulations for the operation of the Sewer System). In the event that the City shall make any payments under this Guaranty, the Authority covenants to repay to the City, as soon as practicable, from the receipts and revenues of the Sewer System, after adequate provision has been made for the payment of the current annual debt service requirements on the Note and the current expenses of the Sewer System, as and when due, all moneys paid or advanced by the City pursuant to this Guaranty.

6. Remedies Cumulative; No Waiver. No delay or failure of the Lender in exercising any right, power or privilege hereunder or under the Note Resolution shall affect such right, power or privilege; nor shall any single or partial exercise thereof or any abandonment or discontinuance of the enforcement of such a right, power or privilege preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies of the Lender hereunder and under the Note Resolution are cumulative and not exclusive of any rights or remedies which it would otherwise have either under this Guaranty, the Note Resolution or any provision of law. Any waiver, permit, consent or approval of any kind or character on the part of the Lender of any breach or default under this Guaranty or any such waiver of any provision or condition of this Guaranty must be in writing and shall be effective only to the extent specified. In the event of any action at law or suit in equity in relation to this Guaranty, the Note Resolution or the Note, the City, in addition to all other sums which the City may be required to pay, will pay a reasonable sum of attorney's fees incurred by the Lender in connection with such action or suit. All representations, warranties, covenants and agreements of the Authority and the City contained herein or made in writing in connection herewith shall survive the execution and delivery of this Guaranty the Note Resolution and the issuance of the Note except as herein otherwise expressly provided.

7. Notices. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder ("Notices") must be in writing (except as may be agreed otherwise above with respect to borrowing requests or as otherwise provided in this Note) and will be effective upon receipt. Notices may be given in any manner to which the parties may agree. Without limiting the foregoing, first-class mail, postage prepaid, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. In addition, the parties agree that Notices may be sent electronically to any electronic address provided by a party from time to time. Notices may be sent to a party's address as set forth above or to such other address as any party may give to the other for such purpose in accordance with this paragraph.

8. Counterparts. This Guaranty may be executed in as many counterparts as may be deemed necessary and convenient, each of which shall be regarded for all purposes as an original, but such counterparts shall constitute but one and the same instrument.

9. Binding Effect. This Guaranty shall be binding upon and inure to the benefit of the Lender, the Authority, the City and their respective successors and assigns, except that the Authority may not voluntarily transfer or assign its rights hereunder.

10. Pennsylvania Law. The Guaranty is executed and delivered by the parties hereto with the intention that the laws of the Commonwealth of Pennsylvania shall govern its interpretation, application and enforcement.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

Corry Municipal Authority 2023 Erie County Redevelopment Authority Loan

Compounding Period: Monthly

Nominal Annual Rate: 1.000%

Cash Flow Data - Loans and Payments

Event	Date	Amount	Number	Period	End Date
1 Loan	02/15/2023	1,000,000.00	1		
2 Payment	03/01/2023	Interest Only	1		
3 Payment	04/01/2023	3,000.00	56	Monthly	11/01/2027
4 Payment	12/01/2027	876,573.83	1		

TValue Amortization Schedule - Normal, 365 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	02/15/2023				1,000,000.00
1	03/01/2023	383.56	383.56	0.00	1,000,000.00
2	04/01/2023	3,000.00	833.33	2,166.67	997,833.33
3	05/01/2023	3,000.00	831.53	2,168.47	995,664.86
4	06/01/2023	3,000.00	829.72	2,170.28	993,494.58
5	07/01/2023	3,000.00	827.91	2,172.09	991,322.49
6	08/01/2023	3,000.00	826.10	2,173.90	989,148.59
7	09/01/2023	3,000.00	824.29	2,175.71	986,972.88
8	10/01/2023	3,000.00	822.48	2,177.52	984,795.36
9	11/01/2023	3,000.00	820.66	2,179.34	982,616.02
10	12/01/2023	3,000.00	818.85	2,181.15	980,434.87
2023 Totals		27,383.56	7,818.43	19,565.13	
11	01/01/2024	3,000.00	817.03	2,182.97	978,251.90
12	02/01/2024	3,000.00	815.21	2,184.79	976,067.11
13	03/01/2024	3,000.00	813.39	2,186.61	973,880.50
14	04/01/2024	3,000.00	811.57	2,188.43	971,692.07
15	05/01/2024	3,000.00	809.74	2,190.26	969,501.81
16	06/01/2024	3,000.00	807.92	2,192.08	967,309.73
17	07/01/2024	3,000.00	806.09	2,193.91	965,115.82
18	08/01/2024	3,000.00	804.26	2,195.74	962,920.08
19	09/01/2024	3,000.00	802.43	2,197.57	960,722.51
20	10/01/2024	3,000.00	800.60	2,199.40	958,523.11
21	11/01/2024	3,000.00	798.77	2,201.23	956,321.88
22	12/01/2024	3,000.00	796.93	2,203.07	954,118.81
2024 Totals		36,000.00	9,683.94	26,316.06	

Corry Municipal Authority 2023 Erie County Redevelopment Authority Loan

	Date	Payment	Interest	Principal	Balance
23	01/01/2025	3,000.00	795.10	2,204.90	951,913.91
24	02/01/2025	3,000.00	793.26	2,206.74	949,707.17
25	03/01/2025	3,000.00	791.42	2,208.58	947,498.59
26	04/01/2025	3,000.00	789.58	2,210.42	945,288.17
27	05/01/2025	3,000.00	787.74	2,212.26	943,075.91
28	06/01/2025	3,000.00	785.90	2,214.10	940,861.81
29	07/01/2025	3,000.00	784.05	2,215.95	938,645.86
30	08/01/2025	3,000.00	782.20	2,217.80	936,428.06
31	09/01/2025	3,000.00	780.36	2,219.64	934,208.42
32	10/01/2025	3,000.00	778.51	2,221.49	931,986.93
33	11/01/2025	3,000.00	776.66	2,223.34	929,763.59
34	12/01/2025	3,000.00	774.80	2,225.20	927,538.39
2025 Totals		36,000.00	9,419.58	26,580.42	
35	01/01/2026	3,000.00	772.95	2,227.05	925,311.34
36	02/01/2026	3,000.00	771.09	2,228.91	923,082.43
37	03/01/2026	3,000.00	769.24	2,230.76	920,851.67
38	04/01/2026	3,000.00	767.38	2,232.62	918,619.05
39	05/01/2026	3,000.00	765.52	2,234.48	916,384.57
40	06/01/2026	3,000.00	763.65	2,236.35	914,148.22
41	07/01/2026	3,000.00	761.79	2,238.21	911,910.01
42	08/01/2026	3,000.00	759.93	2,240.07	909,669.94
43	09/01/2026	3,000.00	758.06	2,241.94	907,428.00
44	10/01/2026	3,000.00	756.19	2,243.81	905,184.19
45	11/01/2026	3,000.00	754.32	2,245.68	902,938.51
46	12/01/2026	3,000.00	752.45	2,247.55	900,690.96
2026 Totals		36,000.00	9,152.57	26,847.43	
47	01/01/2027	3,000.00	750.58	2,249.42	898,441.54
48	02/01/2027	3,000.00	748.70	2,251.30	896,190.24
49	03/01/2027	3,000.00	746.83	2,253.17	893,937.07
50	04/01/2027	3,000.00	744.95	2,255.05	891,682.02
51	05/01/2027	3,000.00	743.07	2,256.93	889,425.09
52	06/01/2027	3,000.00	741.19	2,258.81	887,166.28
53	07/01/2027	3,000.00	739.31	2,260.69	884,905.59
54	08/01/2027	3,000.00	737.42	2,262.58	882,643.01
55	09/01/2027	3,000.00	735.54	2,264.46	880,378.55
56	10/01/2027	3,000.00	733.65	2,266.35	878,112.20
57	11/01/2027	3,000.00	731.76	2,268.24	875,843.96
58	12/01/2027	876,573.83	729.87	875,843.96	0.00
2027 Totals		909,573.83	8,882.87	900,690.96	
Grand Totals		1,044,957.39	44,957.39	1,000,000.00	

Corry Municipal Authority 2023 Erie County Redevelopment Authority Loan

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.
1.000%	\$44,957.39	\$1,000,000.00	\$1,044,957.39

CERTIFICATE


I HEREBY CERTIFY that the attached is a true copy of an ordinance passed finally at a meeting of the Corry City Council, Erie County, Pennsylvania, on January 16, 2023; that said meeting above referred to was held with proper notice having been given to members and to the public, and was at all times open to the public; that said ordinance was duly signed by the President of the Corry City Council, attested by the City Clerk, and has been duly recorded in the Ordinance Book of the said local government unit.

I FURTHER CERTIFY that a copy of the ordinance was available for inspection by any citizen in the office of the City Clerk.

WITNESS my hand and seal of the City of Corry, Erie County, Pennsylvania, on this 16th day of January, 2023.

CITY OF CORRY

By



Laura L. Thomas
City Clerk

SEAL

1779101

[SIGNATURE PAGE TO GUARANTY AGREEMENT]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Guaranty Agreement as of the day and year first above written.

(AUTHORITY SEAL)

Attest:

[Signature]
Secretary or Assistant Secretary

THE MUNICIPAL AUTHORITY OF THE CITY OF
CORY

By: *[Signature]*
Len P. Clark, Chairman

(CITY SEAL)

Attest:

[Signature]
Laura L. Thomas, City Clerk

CITY OF CORY

By: *[Signature]*
Michael E. Baker, Mayor



REDEVELOPMENT AUTHORITY OF THE COUNTY
OF ERIE

By: _____
Chris Groner, Vice President of Capital Finance &
Lending

1779079