

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT, dated _____, 2016 (the “**Guaranty**”), among the **CITY OF BETHLEHEM**, Lehigh and Northampton Counties, Pennsylvania (the “**City**”), a municipal corporation of the Commonwealth of Pennsylvania (the “**Commonwealth**”), as guarantor, the **BETHLEHEM PARKING AUTHORITY** (the “**Authority**”), a body corporate and politic existing under the Parking Authority Law, 53 Pa. C.S. § 5501 *et seq.*, as amended and supplemented, and **MANUFACTURERS AND TRADERS TRUST COMPANY** (the “**Trustee**”), a banking corporation with trust powers organized and existing under the laws of the State of New York.

WITNESSETH:

WHEREAS, the Authority pursuant to authority vested to it by law heretofore acquired and constructed certain lots, buildings and structures, including equipment, entrances, exits, fencing and other accessories necessary or desirable for the safety and convenience of the parking of vehicles in and around the City (collectively, the “**Parking Facilities**”); and

WHEREAS, the Authority heretofore issued its \$5,000,000 principal amount Grant Anticipation Note, Series of 2013 (the “**Series 2013 Note**”), to QNB Bank, in order to finance various capital projects with respect to the Parking Facilities, a portion of which Series of 2013 Note presently remains outstanding; and

WHEREAS, the Authority has determined to undertake a project (the “**Project**”) consisting of: (i) financing the current refunding of the Series of 2013 Note; (ii) financing and/or reimbursing the costs of the acquisition, construction, installation and equipping of a new multi-level parking garage to be located on the south side of the City at the corner of South New Street and Rink Street; (iii) the funding of capitalized interest; (iv) the establishment of necessary reserves and other funds under the Indenture (as hereinafter defined); and (v) the payment of the costs and expenses of issuing the Bonds (hereinafter defined); and

WHEREAS, in order to undertake and to finance the Project, the Authority is willing, upon certain terms and conditions, to issue and sell its (i) Guaranteed Parking System Revenue Bonds, Series A of 2016 (Federally Taxable), in the aggregate principal amount of \$_____, (the “**Series A Bonds**”), and (ii) Guaranteed Parking System Revenue Bonds, Series B of 2016 (Tax-Exempt), in the aggregate principal amount of \$_____, (the “**Series B Bonds**”), and together with the Series A Bonds, collectively, the “**Bonds**”), pursuant to a Master Trust Indenture, dated as of November 15, 2015 (the “**Master Indenture**”), as supplemented by the First Supplemental Trust Indenture, dated as of November 15, 2015 (the “**First Supplemental Indenture**”), and as further supplemented by the Second Supplemental Trust Indenture, dated as of _____, 2016 (the “**Second Supplemental Indenture**”), and together with the Master Indenture and the First Supplemental Indenture, collectively, the “**Indenture**”), each between the Authority and the Trustee; and

WHEREAS, the City, pursuant to a Meter Revenue Agreement, dated October 28, 2015, heretofore transferred, assigned and pledged to the Authority, certain revenues from parking meters in the City, to the extent set forth therein, to be applied, *inter alia*, to the payment of debt service on the Bonds; and

WHEREAS, the Bonds will be secured by, among other things, (i) a Municipal Bond Insurance Policy (the “**Bond Insurance Policy**”) issued by [Bond Insurer] (the “**Bond Insurer**”) that guarantees the scheduled payment of principal of and interest on the Bonds when due, and (ii) a Municipal Bond Debt

Service Reserve Insurance Policy (the “**DSRF Policy**”), issued by the Bond Insurer, which will be deposited in lieu of a cash to the 2016 Series Debt Service Reserve Account established under the Second Supplemental Indenture, in an amount equal to the debt service reserve requirement for the Bonds; and

WHEREAS, the City, as an inducement to the purchasers and to any and all subsequent owners of the Bonds to purchase the Bonds and to the Bond Insurer to issue the DSRF Policy and the Bond Insurance Policy, and thereby to achieve interest cost and other savings, has determined to guarantee (i) the payment of principal of and interest on the Bonds, when due, (ii) all amounts due and payable to the Bond Insurer under or in connection with the Bond Insurance Policy, including without limitation administrative costs and reimbursement amounts to the Bond Insurer, and (iii) all amounts due and payable to the Bond Insurer under or in connection with the DSRF Policy and the Debt Service Reserve Agreement (hereinafter defined), including without limitation policy costs and administrative expenses, pursuant to this Guaranty, all as permitted by and in accordance with the terms and conditions of the Debt Act (as hereinafter defined); and

WHEREAS, the parties hereto desire to set forth the terms and conditions under and pursuant to which the Bonds shall be guaranteed by the City and other related matters.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Terms and Phrases. In addition to the terms and phrases which may be elsewhere defined in this Guaranty, terms and phrases defined in this Section 1.01, for all purposes of this Guaranty, as herein defined, shall have the meanings herein specified, unless the context clearly otherwise requires:

“**Act**” shall mean the Parking Authority Law, 53 Pa. C.S. § 5501 *et seq.*, as amended and supplemented.

“**Board**” shall mean, at any given time, the governing body of the Authority.

“**Bond Fund**” shall mean that certain fund of the Authority established under Section 7.01(d) of the Master Indenture.

“**Bond Insurance Policy**” means the Municipal Bond Insurance Policy issued by the Bond Insurer that guarantees the scheduled payment of principal of and interest on the Bonds when due.

“**Bond Insurer**” shall mean [Bond Insurer], or any successor thereto.

“**Business Day**” shall have the meaning given to such term in the Indenture.

“**City Council**” shall mean the governing body of the City.

“**Debt Act**” shall mean the Local Government Unit Debt Act, 53 Pa. C.S. § 8001 *et seq.*, as amended and supplemented from time to time.

“**Debt Service**” shall mean, with respect to any Fiscal Year, the sum of the following: (a) amounts required to pay principal of and interest on the Bonds (which is not to be paid from amounts on deposit and available in any Capital Interest Account or Redemption Account) during such Fiscal Year; and (b) amounts required to be deposited in such Fiscal Year to the Principal Account or Interest Account, established for the Bonds.

“**Debt Service Reserve Agreement**” shall mean the Debt Service Reserve Agreement, dated _____, 2016 between the Authority and the Bond Insurer.

“**Disclosure Agreement**” shall mean the Continuing Disclosure Certificate of the City, dated _____, 2016.

“**DSRF Policy**” shall mean the Municipal Bond Debt Service Reserve Insurance Policy issued by the Bond Insurer, in lieu of a cash deposit, in the principal amount of \$____,____, which amount is equal to the debt service reserve requirement for the Bonds.

“**Fiscal Year**” shall mean the fiscal year of the City as provided by laws of the Commonwealth.

“**Guaranty**” shall mean this agreement and all modifications, alterations, amendments and supplements hereto made and delivered in accordance with the provisions hereof, which phrase sometimes is referred to in this document by use of such words as "hereto," "hereby," "herein," "hereof" or "hereunder."

“**Insurance Obligations**” shall mean (A) any and all amounts paid by the Bond Insurer under the Bond Insurance Policy and/or DSRF Policy, with interest thereon at the Late Payment Rate as provided in the Second Supplemental Indenture, (B) any and all charges, fees, costs and expenses that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security under this Guaranty, the Bonds or the Indenture, (ii) the pursuit of any remedies under this Guaranty, the Bonds, the Indenture or any other related document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Bonds, the Indenture, this Guaranty or any other related document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Bonds, the Indenture, this Guaranty or any other related document or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy or the DSRF Policy, and (C) any and all other amounts due and payable to the Bond Insurer under the Indenture or the Debt Service Reserve Agreement.

“**Interest Payment Date**” shall mean, as to the Bonds each April 1 and October 1, as applicable, commencing on April 1, 2017.

ARTICLE II

Representations and Warranties of the City

SECTION 2.01. Representations and Warranties. The City represents and warrants that:

A. The City is a municipal corporation of the Commonwealth and is a "local government unit" under provisions of the Debt Act;

B. The City possesses all requisite power and authority under laws of the Commonwealth to enter into and to perform all the covenants and agreements set forth in this Guaranty;

C. The City has duly authorized all necessary action on its part to enter into this Guaranty, pursuant to proper and necessary official action of City Council and the Mayor in accordance with laws of the Commonwealth;

D. The City, in entering into this Guaranty, is acting in the public interest by addressing a shortfall of parking spaces, which shortfall has not been cured by the private sector, through assisting the Authority in the provision of modern, high quality parking facilities, and in encouraging continued economic development within the City; and

E. The City, in entering into this Guaranty, is incurring lease rental debt pursuant to the terms and conditions of the Debt Act; and the City has taken all proper proceedings pursuant to the Debt Act and has obtained all approvals required to be obtained in connection with the execution and delivery of this Guaranty.

ARTICLE III

Covenants and Agreements of the Authority and the City

SECTION 3.01. Full and Prompt Payment. The City hereby guarantees, unconditionally and irrevocably, to the Trustee for the benefit of registered owner or owners, from time to time, of the Bonds and of the Bond Insurer, as subrogee to the registered owners of the Bonds pursuant to Section 6.07 of the Second Supplemental Indenture, the full and prompt payment of the Debt Service when and as such shall be due and payable, in accordance with the terms and conditions of this Guaranty. The City hereby further guarantees, unconditionally and irrevocably to the Bond Insurer, the full and prompt payment of the Insurance Obligations when and as such shall be due and payable, in accordance with the terms and conditions of this Guaranty. The Debt Service and obligations described in clause (A) of the definition of Insurance Obligations guaranteed by the City pursuant to this Guaranty shall not exceed the amounts set forth in Exhibit A, attached hereto and incorporated herein. Except as provided herein, nothing contained in this Guaranty shall in any way be construed to imply that the City shall be or become liable or responsible for any other debt or obligation of the Authority. This is a guaranty of payment and not of collection.

The City hereby acknowledges and agrees to the rights of the Bond Insurer as set forth in Section Article VI of the Second Supplemental Indenture. The City further agrees to and acknowledges its obligation to reimburse the Bond Insurer for payments made by the Bond Insurer of interest on or principal of the Bonds to the registered owners of the Bonds pursuant to the Bond Insurance Policy, the DSRF Policy, the Second Supplemental Indenture and the Debt Service Reserve Agreement.

SECTION 3.02. Costs, Fees, Expenses and Charges. Except as may be expressly provided herein or elsewhere, the City shall not be responsible or liable to the Authority or the Trustee for the payment of any other costs, fees, expenses or charges arising in connection with the issuance and sale of the Bonds, or the enforcement of any rights of the Authority against any other person.

SECTION 3.03. Manner of Payment. All payments required to be made by the City under this Guaranty shall be made in lawful money of the United States of America (i) at the designated office of the Trustee with respect to the payment of Debt Service on the Bonds and at the times specified in the Indenture and the Bonds for the payment of Debt Service on the Bonds, and (ii) at the designated office of the Bond Insurer with respect to the payment of the Insurance Obligations and at the times specified in the Second Supplemental Indenture, Debt Service Reserve Agreement, the DSRF Policy and the Bond Insurance Policy, as applicable, for the payment of the Insurance Obligations.

SECTION 3.04. Separate Causes of Action. Each and every default in payment of Debt Service and Insurance Obligations shall give rise to a separate cause of action under this Guaranty and separate suits may be instituted pursuant to this Guaranty, from time to time, as each cause of action shall arise.

SECTION 3.05. Amounts to be Included in Budget. The City covenants to and with the Trustee, the Authority, the Bond Insurer and the registered owners, from time to time, of the Bonds that the City shall (a) include the amounts payable in respect of this Guaranty for each Fiscal Year in which such sums are payable in its budget for that Fiscal Year, and (b) appropriate such amounts from its general revenues for payment to the Trustee or the Bond Insurer, as applicable, of its obligations hereunder, and (c) duly and punctually pay or cause to be paid from any of its revenues or funds to the Trustee or the Bond Insurer, as applicable, such amounts, payable in respect of this Guaranty, at the times and in the manner provided for herein, at the designated office of the Trustee or the Bond Insurer, as applicable, according to the true intent and meaning hereof. For such budgeting, appropriation and payment, the City pledges its full faith, credit and taxing power, which taxing power includes the power to levy ad valorem taxes on all taxable real property within the City unlimited as to rate or amount. As provided in the Debt Act, this covenant shall be enforceable specifically against the City.

At any time when payments are required to be made in any Fiscal Year by the City hereunder, to the extent that sufficient money shall not be available in the City's then current budget for such Fiscal Year (for which it budgeted amounts during the prior Fiscal Year pursuant to the provisions of the preceding paragraph), and if the City shall be unable to incur debt lawfully in such current Fiscal Year for the purpose of making such payment or otherwise paying such Debt Service or Insurance Obligations or to issue tax anticipation notes or otherwise to satisfy its obligations hereunder, the City shall include any amounts so payable in its budget for the next succeeding Fiscal Year and shall appropriate such amounts to the payment of such obligations and duly and punctually shall pay or shall cause to be paid the obligations incurred hereunder in the manner herein stated according to the true intent and meaning hereof, and for such budgeting, appropriation and payment the City does pledge its full faith, credit and taxing power, which taxing power includes the power to levy ad valorem taxes on all taxable real property within the City unlimited as to rate or amount. As provided in the Debt Act, this covenant shall be enforceable specifically against the City.

SECTION 3.06. Information to be Provided to the Bond Insurer. The City will provide the Bond Insurer with all notices and other information it is obligated to provide under its Disclosure Agreement and to the Trustee under this Guaranty or the Indenture.

SECTION 3.07. Right to Inspect. The City covenants to permit the officers and authorized agents of the Bond Insurer, to discuss the affairs, finances and accounts of the City or any information the Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the City and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the City on any business day upon reasonable prior notice.

SECTION 3.08. Obligations of City Absolute and Unconditional. The obligations of the City under this Guaranty shall be absolute, irrevocable and unconditional, irrespective of any other agreement or instrument to which the City shall be a party, and shall remain in full force and effect until all Debt Service during each Fiscal Year in which the Bonds remain outstanding shall have been paid or shall have been provided for in accordance with Article XIV of the Master Indenture and all Insurance Obligations due and owing to the Bond Insurer have been paid in full, and such obligations of the City shall not be affected, modified, diminished or impaired upon the happening, from time to time, of any event, including, without limitation, any of the following (whether or not with notice to or the consent of the City in accordance with the provisions hereof):

A. The failure of the Authority otherwise to perform any obligation contained in this Guaranty or in any other agreement, for any reason whatsoever, including, without limiting the generality of the foregoing, the occurrence of an insufficiency of funds, negligence or willful misconduct on the part of the Authority or its agents, employees or independent contractors, legal action of any nature which shall prohibit the operations of the Authority or delay the Project, labor disputes, war, insurrection, natural catastrophe or laws, rules or regulations of any body, governmental or otherwise, having proper jurisdiction;

B. The failure of the Authority or the Trustee to give notice to the City of the occurrence of a default under terms and provisions of this Guaranty or the Indenture;

C. The validity, enforceability or termination of the Indenture;

D. The neglect or failure of the Authority to exercise or to preserve any rights or rights of action against any party, person or property;

E. The failure of the Authority to have enforced, on prior appropriate occasions, any right or right of action against any party, person or property;

F. The compromise, settlement, release, alteration, indulgence or any other change or modification of any obligation or liability of the Authority under the Indenture, regardless of the nature of such obligation or liability and regardless of the extent to which such obligation or liability shall have been modified, compromised or otherwise changed;

G. The waiver of the payment, performance or observance by the Authority or the City of any obligations, covenants or agreements contained in this Guaranty;

H. The extension of the time for payment of the Debt Service on the Bonds or any part thereof owing or payable under this Guaranty or of the time for performance of any other obligations, covenants or agreements under or arising out of this Guaranty;

I. The taking of, or the omission to take, any action referred to in the Indenture or this Guaranty;

J. Any failure, omission or delay on the part of the Authority to enforce, to assert or to exercise any right, power or remedy conferred upon or vested in the Authority hereunder or under the Indenture, or to enforce, to assert or to exercise any other right, or rights on the part of the Authority or any owner, at any time or from time to time, of the Bonds;

K. The voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustments or other similar proceedings relating to the City or the Authority or any of the assets of either, or any allegation or contest of the validity of this Guaranty in any such proceeding;

L. The release or discharge of the City, to the extent permitted by law, from performance or observance of any obligation, covenant or agreement contained in this Guaranty, by operation of law;

M. The default or failure of the City fully to perform any of its obligations set forth in this Guaranty;

N. Any failure by the Authority to comply with any of the covenants, agreements or undertakings set forth herein or in the Indenture or any breach by the Authority of any representation or warranty set forth herein or in the Indenture;

O. The payment by the Bond Insurer pursuant to the DSRF Policy and/or the Bond Insurance Policy; and

P. The voluntary or involuntary repossession or surrender of the Parking Facilities.

SECTION 3.09. Obligations of City Not Affected by Bankruptcy, Reorganization or Similar Arrangements and Proceedings. The obligations of the City hereunder shall not be affected by any bankruptcy, arrangement of creditors, reorganization or other similar proceedings of the Authority or the City; and, to the extent applicable, the City specifically waives any right or benefit which could accrue to it by reason of any such proceeding and agrees that the same shall not affect the liability of the City hereunder, regardless of the effect that such proceedings may have with respect to the obligations of the Authority.

SECTION 3.10. Obligations of City Not Subject to Setoff, Counterclaims, etc. The obligations of the City hereunder shall not be subject to any setoff, counterclaim or defense resulting from any breach or any alleged breach by the Authority of any obligation to the City, whether said obligation arises under this Guaranty, or from any other transaction between the Authority and the City, regardless of the nature of such transaction, or otherwise.

SECTION 3.11. Trustee Authorized to Proceed. In the event of a default in payment of Debt Service on the Bonds when and as the same shall become due and payable, whether at the stated maturity thereof or by acceleration or by redemption, the Trustee may proceed, and if requested in writing to do so by the Bond Insurer, the Trustee shall be obligated to proceed hereunder directly against the City without proceeding against or exhausting any other remedies which it may have against the Authority or its assets under the Indenture.

Before taking any action hereunder, the Trustee may require that a satisfactory indemnity bond shall be furnished by the registered owners of the Bonds then outstanding for the reimbursement of all reasonable costs and expenses which it may incur and to protect it against all liability, except liability which is adjudicated to have resulted from its gross negligence or willful misconduct, by reason of any actions so taken.

The City agrees to pay all costs, fees and expenses, including, to the extent permitted by law, all court costs and reasonable attorney fees and expenses which may be incurred by the Trustee in enforcing or attempting to enforce this Guaranty against it, following any default on the part of the City hereunder, whether the same shall be enforced by suit or otherwise.

SECTION 3.12. Waiver of Notice of Reliance. The City expressly waives notice, in writing or otherwise, from the registered owners, at any time or from time to time, of the any of the Bonds of their acceptance and reliance upon this Guaranty.

SECTION 3.13. Enforcement by Third Parties. This Guaranty is entered into by the City for the benefit of any registered owners, from time to time, of the Bonds and the Bond Insurer, all of whom shall be entitled to enforce performance and observance hereof by the City to the same extent as if they were parties signatory hereto, in accordance with the laws of the Commonwealth.

SECTION 3.14. Separate or Cumulative Enforcement. Terms of this Guaranty may be enforced as to any one or more breaches, either separately or cumulatively.

SECTION 3.15. Payment by City.

(a) So long as the Bonds shall be issued and outstanding, in the event that, as provided in Section 7.04 of the Master Indenture, the Trustee shall have made the transfers and deposits to the subaccounts in the Interest Account and Principal Account of the Bond Fund for the Bonds as provided in Section 7.02(a)(2) of the Master Indenture and shall have determined that there is a deficiency therein, the Trustee shall give written notice of such deficiency to the Authority and to the City at least fifteen (15) Business Days prior to the Interest Payment Date, which notice shall specify the amount of the deficiency in such Bond Fund and shall instruct the City to make deposit with the Trustee of the specified amounts no later than ten (10) Business Days preceding the next Interest Payment Date, so that the Trustee shall be able to make payments of principal of and interest on the Bonds, as scheduled on such Interest Payment Date. Notwithstanding anything to the contrary, payments under this Guaranty shall be made prior to any draws on the Bond Insurance Policy and/or the DSRF Policy.

(b) To the extent that it makes any payments of Debt Service on the Bonds or otherwise makes payments to the Trustee hereunder, the City's rights to reimbursement for such payments shall be as set forth in the Indenture. As long as the Bond Insurer is the directing party pursuant to Section 6.05 of the Second Supplemental Indenture, the City waives its rights of subrogation and its equitable and legal remedies in connection therewith. The City recognizes that it has no rights under the Bond Insurance Policy. The reimbursement obligation of the Authority to the City for payments made under this Guaranty (and the City's right to be reimbursed) shall be subordinate and junior in all respects to (i) debt service on the Bonds and the reimbursement of all amounts due to the Bond Insurer under or in connection with the Bond Insurance Policy, (ii) replenishment of the 2016 Series Debt Service Reserve Account (including reimbursement of all amounts due to the Bond Insurer under or in connection with the DSRF Policy and the Debt Service Reserve Agreement), and (iii) the rights of the Bond Insurer.

(c) The City shall pay or reimburse the Bond Insurer on demand any and all Insurance Obligations due and payable to the Bond Insurer.

SECTION 3.16. Discharge of Obligations. Anything contained in this Guaranty to the contrary notwithstanding, except as provided herein with respect to expenses incurred in connection with the enforcement hereof, the obligations of the City hereunder shall be satisfied in full and discharged when (a) the principal of, premium, if any, and interest on the Bonds have been paid or provided for as specified in the Bonds and the Indenture, (b) the Bonds shall have been discharged in accordance with their terms, and (c) all amounts due and payable to the Bond Insurer in connection with the Bond Insurance Policy and/or the DSRF Policy shall have been paid in full.

SECTION 3.17. Rights to Direct Remedies. The Trustee, the Authority and the City acknowledge and agree that the Bond Insurer will have the right to direct remedies and actions hereunder if a default occurs under this Guaranty or an Event of Default occurs under the Indenture.

ARTICLE IV

Miscellaneous

SECTION 4.01. Increased Obligations of City; Amendment. No amendment, change, modification, alteration or termination of the Bonds shall be effective which would in any way increase obligations of the City under this Guaranty, without obtaining the prior written consent of the City (such consent to be given by the City pursuant to an ordinance duly enacted by City Council).

SECTION 4.02. Time When Obligations Arise. Obligations of the City hereunder shall arise absolutely, irrevocably and unconditionally when the Bonds shall have been issued, sold and delivered by the Authority.

SECTION 4.03. Authority to Punctually Perform. The Authority covenants with the City that it will duly and punctually perform every covenant and agreement undertaken by the Authority under the Bonds and the Indenture.

SECTION 4.04. Remedies of Trustee. In the event of default by the City in the punctual discharge of its obligations hereunder, the Trustee, at the direction of the Bond Insurer, shall be entitled to exercise such remedies as are provided under the Debt Act, together with any other remedies which otherwise may be provided at law or in equity or by other statutes.

SECTION 4.05. Cumulative Remedies; Waiver. No remedy conferred upon or reserved to the Authority or the Trustee hereunder is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Guaranty or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised, from time to time, and as often as may be deemed expedient. In order to entitle the Authority and/or the Trustee to exercise any remedy reserved in this Guaranty, it shall not be necessary to give any notice, other than such notice as herein expressly may be required. In the event any provision contained in this Guaranty should be breached by any party and thereafter duly waived by the other party so empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver, amendment, release or modification hereof shall be established by conduct, custom or course of dealing, but shall be established solely by an instrument, in writing, duly executed by the appropriate parties and by the Bond Insurer. Notwithstanding any other provision hereof to the contrary, no recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds, or for any claim based hereon or on the Ordinance of the City authorizing and approving the execution and delivery of this Guaranty, against any member, officer or employee, past, present or future, of the City or of any successor body, as such, either directly or through the City 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 or employees is released as a condition of and as consideration for the issuance of this Guaranty.

SECTION 4.06. Entire Agreement; Multiple Counterparts. This Guaranty constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof; and this Guaranty may be executed, simultaneously, in multiple counterparts, each of which counterparts, together, shall constitute but one and the same instrument.

SECTION 4.07. Severability. The provisions of this Guaranty shall be severable; and in the event of the invalidity or unenforceability of any one or more phrases, sentences, clauses, Articles, Sections or parts contained in this Guaranty, such invalidity or unenforceability shall not affect the validity or enforceability of remaining portions of this Guaranty or any remaining parts thereof.

SECTION 4.08. Amendment. This Guaranty may be amended and/or supplemented, from time to time, by a written document duly executed by the parties hereto and with the prior written consent of the Bond Insurer; provided, however, that no amendment and/or supplement shall be made which shall diminish or discontinue the obligations of the City.

SECTION 4.09. Bond Insurer Consent to Contracts. No contract shall be entered into by the City nor any action taken by which the rights of the Bond Insurer or the security for or sources of payment of the Bonds, including the Guaranty, may be materially adversely impaired or prejudiced except upon obtaining the prior written consent of the Bond Insurer.

SECTION 4.10. Choice of Law. This Agreement shall be construed in accordance with and shall be governed by the laws of the Commonwealth.

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IN WITNESS WHEREOF, the parties hereto, each intending to be legally bound, pursuant to proper authorization of their respective governing bodies, each causes this Guaranty to be executed by its respective duly authorized officer or officers and to be attested by its respective duly authorized officer and its respective official or corporate seal to be affixed to this Guaranty, all as of the day and year first above written.

CITY OF BETHLEHEM, Lehigh and
Northampton Counties, Pennsylvania

Attest: _____
City Clerk

(SEAL)

By: _____
Mayor

By: _____
Controller

BETHLEHEM PARKING AUTHORITY

Attest:

Secretary

(SEAL)

By: _____
Chairman

MANUFACTURERS AND TRADERS TRUST
COMPANY, as Trustee

By: _____
Authorized Officer

Date of Execution and Delivery: _____, 2016

EXHIBIT A

**MAXIMUM ANNUAL
DEBT SERVICE**
