

CLAIRTON MUNICIPAL AUTHORITY

BOARD OF DIRECTORS

MONTHLY WORKSHOP AND SPECIAL MEETING

MAY 10, 2022

Presentation by James McCarthy and Chris Shelby of Piper Sandler on Bond Refinancing from 1:00 PM to 1:45 PM.

Meeting called to order at 2:18 PM by John Vitullo.

\*\*\*\*\*

Executive Session was held from 1:45 P.M. until 2:15 PM to discuss personnel and litigation.

|                  | Present | Absent         |
|------------------|---------|----------------|
| <u>Roll Call</u> |         |                |
| Lawrence Wulf    | X       | _____          |
| Kevin Johnson    | X       | _____          |
| Donald Nevills   | X       | _____          |
| John Vitullo     | X       | _____          |
| Doug Ozvath      | X       | _____ On Phone |

Administration/Professional

- Ryan Potts, Superintendent
- Jim Hannan, P.E., Finance Director
- Brian Gabriel, Campbell, Durrant, P.C., Solicitor on Phone

Citizens Comments:

None

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Voting Agenda:

1. Donald Nevills moved, and Larry Wulf seconded the motion to approve the Resolution accepting the execution, delivery, and issuance of a Sewer Revenue Note, Series of 2022 in the amount not to exceed \$5,300,000; accepting a commitment for the purchase of the note; specifying the purposes for which the note is issued; authorizing the use of the proceeds of the note; stating the interest rate, maturity date and provisions for payment and redemption of the note; authorizing the execution and delivery of required documents and other necessary actions.

**The motion carried 5-0.**

2. Donald Nevills moved, and Kevin Johnson seconded the motion to accept the material terms of the settlement agreement with the City of Clairton subject to the final revisions made by the CMA Board.

**The motion carried 5-0.**

3. Kevin Johnson moved, and Donald Nevills seconded the Motion to hire Rita Brink for the position of Office I at the current rate in the union contract and upon successfully passing the preemployment physical and drug test and criminal background test.

**The motion carried 5-0.**

4. Review of Solicitor responses to the Request for Proposals and set the date(s) for interviews thereof. Interviews set for May 23, 2022, beginning at 1:00 PM.

5. Kevin Johnson moved, and Donald Nevills seconded the motion to adjourn at 2:22 PM. **The motion carried 5-0.**

  
SECRETARY

**CLAIRTON MUNICIPAL AUTHORITY**

BOARD OF DIRECTORS

Monthly Workshop and Special Meeting

Tuesday May 10, 2022

1:00 P.M.

**AGENDA**

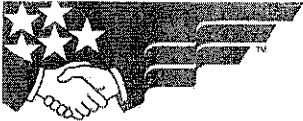
Roll Call and Pledge of Allegiance

Presentation Chip McCarthy from Piper Sandler

Comments from the Public

1. Discussion items:
  - a. Motion to approve the resolution accepting the execution, delivery, and issuance of a Sewer Revenue Note, Series of 2022 in the amount not to exceed \$5,300,000; accepting a commitment for the purchase of the note; specifying the purposes for which the note is issued; authorizing the use of the proceeds of the note; stating the interest rate, maturity date and provisions for payment and redemption of the note; authorizing the execution and delivery of required documents and other necessary actions.
  - b. Motion to accept the material terms of the settlement agreement with the City of Clairton subject to the final revisions made by the CMA Board.
  - c. Motion to hire \_\_\_\_\_ for the position of Office I at the current rate in the union contract and upon successfully passing the preemployment physical and drug test and criminal background test
  - d. Review of Solicitor responses to the Request for Proposals and set the date(s) for interviews thereof.
2. New Business
3. Old Business

Motion to Adjourn



First National Bank

58 West Main Street, Uniontown, PA 15401  
(724) 438-4531

May 6, 2022

Jim Hannan, Finance Director  
Clairton Municipal Authority  
One North State Street  
Clairton, PA 15025

Dear Mr. Hannan:

I am pleased to advise that First National Bank of Pennsylvania (the "Bank") has approved the Authority's request for financing as outlined below. This commitment replaces the expired Bank commitment of April 13, 2022, and is subject to the following terms and conditions.

|                  |  |
|------------------|--|
| Borrower         | Clairton Municipal Authority   |
| Purpose          | Refinance the purchase of certain assets of the City of Clairton, accomplished with the execution and delivery of the Sale and Purchase Agreement, dated March 1, 2012, by and between the City and the Authority (the "Project"). |
| Principal Amount | Not to exceed Five Million Three Hundred Thousand and 00/100 Dollars (\$5,300,000.00)  |
| Interest Rate    | Three and eighty-six hundredths percent per annum (3.86%).   |

The interest rate is Tax Exempt.

If interest on the Note is declared by the Internal Revenue Service or an agent thereof to be, or shall otherwise be determined or required to be includable in the income of the Bank for purposes of Federal income taxation, including pursuant to any amendment to the Internal Revenue Code of 1986, as amended (an "**Event of Taxability**"), the Note shall thereafter bear interest at a variable rate equal to the "Prime Rate", as published in the *Wall Street Journal* from time to time, plus 2.00% (the "**Taxable Rate**").

|                            |  |
|----------------------------|--|
| Default Rate               | Upon the occurrence of an event of default, the interest rate shall convert to a fully variable rate per annum equal to the "Prime Rate" as published from time to time in the <i>Wall Street Journal</i> or any successor publication (the "Prime Rate") plus 2% per annum, such rate to be adjusted automatically each time the Prime Rate changes (but subject to a maximum interest rate of 17%).  |
| Term                       | One Hundred Eighty Month Term and Amortization   |
| Repayment                  | 179 consecutive monthly principal and interest payments, with one final balloon payment consisting of all unpaid principal, interest, and any other charges due at maturity.   |
| Fees and Costs             | <ol style="list-style-type: none"><li>(1) The Borrower will pay all fees that the Bank is charged that are associated with closing the loan including, but not limited to, UCC filing fees and the legal fee of \$11,000.00, plus expenses, to Clark Hill PLC.</li><li>(2) Loan documentation fee of Five Thousand Dollars and No Cents (\$5,000.00), payable to the Bank at closing.</li></ol>  |
| Collateral                 | Security interest in all of Borrower's Revenues and Receipts, whether now owned or hereafter acquired, together with the proceeds thereof.   |
| Other Conditions Precedent | The obligation of the Bank to make these Loans is subject to the following conditions: <ol style="list-style-type: none"><li>(1) Certification at closing that there exists no material adverse change in the financial or other condition of the Borrower, or other party related to the Borrower, which change shall be determined in the sole and absolute discretion of the Bank.</li><li>(2) Execution by Borrower of resolutions, instruments and documents, in form and substance acceptable to the Bank.</li><li>(3) No later than 270 days after each fiscal year end, the Borrower shall provide the Bank with its annual financial statements audited by a certified public accountant.</li></ol> |

- (4) No later than 180 days after each fiscal year end, the Borrower shall provide the Bank with an Engineer's Operation and Maintenance Report, in form and substance acceptable to Bank.
- (5) No later than 45 days after each fiscal year end, the Borrower shall provide its Budget for the new year.

Other requirements

In addition to the conditions listed above, Borrower agrees that the Loan will be subject to a Loan Agreement which shall contain, among others, the following covenants

- (1) At all times during the term of the Loan, Borrower shall maintain a minimum debt service coverage ratio of 1.10 to 1.00 which shall be calculated as follows:

*For the past fiscal year, all accrual basis operating revenue of the Borrower, less all accrual basis operating expenses of the Borrower adjusted for the amount of depreciation expense determined on an accrual basis for the past year, disregarding all other available funds (including, without limitation, any indenture fund or account, investment earning or income, and grants-in-aid).*

*From this total, other receipts relating to capacity replenishment fees, compliance testing, debt service receipts, and other fees and receipts on an accrual basis are added.*

*From this total, any unrestricted cash and investment accumulated in the revenue fund on accrual basis for the same fiscal year are added.*

*The result is compared to 110% of the Borrower's total debt service requirements (principal and interest on all outstanding debt). If the result equals or exceeds 110% of the debt service requirements, the schedule of rates in effect during the year compiled with the rate covenant.*

- (2) Solicitor's Opinion, in form and substance acceptable to the Bank, as to the validity of the transaction.
- (3) Documentation prepared by Clark Hill PLC, in form and substance acceptable to Bank.
- (4) The Borrower will maintain its operating account with the Bank during the term of the Loan.
- (5) The Loan Agreement will contain other usual and customary affirmative and negative covenants and representations and warranties.

This letter is delivered to you on the condition that, prior to its acceptance, neither its existence nor any of its contents shall be disclosed by you without the Bank's prior approval except (1) as may be compelled to be disclosed in a judicial or administrative proceeding or as otherwise required by law, and (2) on a confidential and "need to know" basis, to your directors, officers, employees, advisors and agents.

This commitment will expire on May 31, 2022. If accepted, the Loan must be closed by May 31, 2022.

Please indicate acceptance of this commitment on the terms contained herein by executing and returning this letter to us so that we may prepare for closing. A copy is enclosed for your records.

First National Bank of Pennsylvania is pleased to provide this financial assistance. Should you have any questions or need anything further, please do not hesitate to contact me

Respectfully,

FIRST NATIONAL BANK OF PENNSYLVANIA



Andrew Erjavek, Vice President

— ACCEPTANCE —

The undersigned, intending to be legally bound, hereby accepts this commitment and the terms set forth above this \_\_\_\_\_ day of May, 2022.

ATTEST

CLAIRTON MUNICIPAL AUTHORITY

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_ (SEAL)  
Board Chairman



**CLAIRTON MUNICIPAL AUTHORITY**  
(Allegheny County, Pennsylvania)

**NOTE RESOLUTION**

AUTHORIZING THE EXECUTION, DELIVERY AND ISSUANCE OF A SEWER REVENUE NOTE, SERIES OF 2022 IN AN AMOUNT NOT TO EXCEED \$5,300,000.00; ACCEPTING A COMMITMENT FOR THE PURCHASE OF THE NOTE; SPECIFYING THE PURPOSES FOR WHICH THE NOTE IS ISSUED; AUTHORIZING THE USE OF THE PROCEEDS OF THE NOTE; STATING THE INTEREST RATE, MATURITY DATE AND PROVISIONS FOR PAYMENT AND REDEMPTION OF THE NOTE; AUTHORIZING THE EXECUTION AND DELIVERY OF REQUIRED DOCUMENTS AND OTHER NECESSARY ACTIONS.

WHEREAS, the Clairton Municipal Authority (the "Authority") was created pursuant to the provisions of the Municipality Authorities Act, as amended, for the purpose, among others, of maintaining and operating a sewage treatment and collection system in Allegheny County, Pennsylvania; and

WHEREAS, the Authority has determined to refinance the payments required to be paid to the City of Clairton (the "City") pursuant to the Sale and Purchase Agreement, dated March 1, 2012, between the City and the Authority (the "Project"); and

WHEREAS, the Authority has determined to finance the Project by the issuance of its Sewer Revenue Note, Series of 2022 in a principal amount not to exceed Five Million Three Hundred Thousand and 00/100 Dollars (\$5,300,000.00) (the "Note"); and

WHEREAS, First National Bank of Pennsylvania, (the "Purchaser") has agreed to purchase the Note, pursuant to a Commitment Letter dated May 6, 2022 (the "Commitment").

NOW, THEREFORE, BE IT RESOLVED by the Clairton Municipal Authority as follows:

1. The Project and financing by the Authority, including payment of the costs of the issuance of the Note are approved.
2. The Authority hereby authorizes the issuance of its Note, to be designated the Sewer Revenue Note, Series of 2022, pursuant to the terms of a Loan and Security Agreement, by and between the Authority and the Purchaser (the "Loan Agreement"). The Authority hereby authorizes and directs the Chairman or Vice Chairman of the Board to execute and deliver the Loan Agreement and the Note, all subject to the approval of Authority Counsel. The Note will be fully registered, will be entitled to the security provided in the Loan Agreement and will be paid out of the Certain Revenues of the Authority with respect to the Sewer System pledged under the Loan Agreement to the extent provided therein.
3. The Authority authorizes the pledge of its Certain Revenues of the Authority with respect to the Sewer System to the Purchaser for the payment of the Note and authorizes and directs the Chairman or Vice Chairman to execute and deliver such additional security and closing documents, upon the request of the Purchaser, as necessary or proper for the issuance of the Note.
4. The Note is a current interest paying Note. The Note shall be issued in fully registered form and will be dated the date of its issuance. The Note will bear interest at the rate set forth in the form of the Note included as Exhibit A. The Note will mature fifteen (15) years after its issuance.

5. The principal of the Note shall be payable in lawful money of the United States of America at the designated office of the Purchaser, or at the designated office of any additional or appointed alternate or successor paying agent or agents (the "Paying Agent"). Interest on the Note shall be payable in the manner provided in the form of the Note included as Exhibit A. The Paying Agent shall have no obligations with respect to this Resolution other than those duties specifically mentioned herein and shall have the right to act upon any document or written request believed by it to be genuine and shall have no duty to inquire into the authenticity of any signature.

6. The Note shall be executed by the manual or facsimile signature of the Chairman or Vice Chairman of the Authority and the Secretary, and shall have the actual or a facsimile of the corporate seal of the Authority affixed thereto, duly attested by the manual or facsimile signature of the Secretary, and the said officers are hereby authorized to execute the Note in such manner. The Chairman or Vice Chairman of the Authority and the Secretary are authorized and directed to deliver or cause to be delivered the Note to the Purchaser.

7. The form of the Note shall be substantially similar to the form included as Exhibit A.

8. The acceptance of the Commitment for the purchase of the Note, which sets forth the terms of the Note, is hereby approved. The Note is authorized to be sold to the Purchaser on the terms set forth in the Commitment, for the purpose of funding the Project. The Chairman, Vice Chairman and/or Secretary are hereby authorized to do all things necessary and proper for the issuance of the Note.

9. The Authority covenants with the owners of the Note that it will make no use of the proceeds of the Note at any time during the term thereof which, if such use had been reasonably expected on the date of issue of the Note, would have caused the Note to be an "arbitrage bond" within the meaning of Section 148 of the United States Internal Revenue Code of 1986, as amended (the "Code"), as interpreted by the regulations applicable to the Note, as promulgated for such purpose by the United State Treasury Department.

10. The Authority agrees to take all actions necessary to preserve and maintain the tax-exempt status of the Note and of the interest thereon, under all laws currently in effect and that may become effective. The Authority covenants that it will not intentionally use any portion of the proceeds of the Note to acquire, or to replace funds used directly or indirectly to acquire, investment property with a yield materially higher than the yield on the Note, as prohibited by Section 148(a) of the Code, except for permitted investments for temporary periods as authorized by Section 148(c) of the Code. The Authority covenants to expend the proceeds of the Note within the temporary periods prescribed by Section 148(c) of the Code and the regulations thereunder. The Authority covenants to rebate to the United States all arbitrage profits earned on the proceeds of the Note if required by Section 148(f) of the Code. For purposes of this covenant, "arbitrage profits" means (i) the excess of (A) the amount earned on any proceeds of the Note invested in any investment property (excluding tax-exempt obligations) over (B) the amount which would have been earned if such investments were invested at a rate equal to the yield on the Note, and (ii) any income attributable to such excess.

The undersigned, Chairman or Vice Chairman and Secretary or Assistant Secretary of the Clairton Municipal Authority do hereby certify that the foregoing is a true and correct copy of a Resolution duly adopted by the Authority at a meeting duly held on May 10, 2022.

(SEAL)

ATTEST:

CLAIRTON MUNICIPAL AUTHORITY

\_\_\_\_\_  
Secretary

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

EXHIBIT A - Form of the Note

**CLAIRTON MUNICIPAL AUTHORITY**  
(Allegheny County, Pennsylvania)  
SEWER REVENUE NOTE, SERIES OF 2022

|                  |    |       |               |           |            |        |               |
|------------------|----|-------|---------------|-----------|------------|--------|---------------|
| Principal Amount | \$ | 3.86% | Interest Rate | May, 2022 | Dated Date | , 2037 | Maturity Date |
|------------------|----|-------|---------------|-----------|------------|--------|---------------|

FOR VALUE RECEIVED, the CLAIRTON MUNICIPAL AUTHORITY (the "**Authority**") promises to pay to FIRST NATIONAL BANK OF PENNSYLVANIA (the "**Bank**"), its successors or registered assigns, at the Bank's offices located at \_\_\_\_\_, or at such other place as the registered owner may direct, \_\_\_\_\_ and 00/100 DOLLARS (\$ \_\_\_\_\_), pursuant to the Loan Agreement (as hereinafter defined) and remains unpaid on \_\_\_\_\_, 2037 (the "**Maturity Date**") together with interest from the date hereof as provided below:

1. **Rate of Interest.** The rate of interest on this Note will be at a rate per annum (the "**Loan Rate**") equal to three and eight-six hundredths percent (3.86%).

Interest will be calculated on the basis of a year of 360 days, composed of twelve months of 30 days, for the actual number of days in each interest period. In no event will the rate of interest hereunder exceed the maximum rate allowed by law.

This Note is issued by the Authority in favor of the Bank on the assumption that interest paid hereon is excludable from the gross income of the registered owner hereof for Federal income tax purposes. If interest on this Note shall be declared by the Internal Revenue Service or an agent thereof to be, or shall otherwise be determined or required to be includable in the income of the Bank for purposes of Federal income taxation, including pursuant to any amendment to the Internal Revenue Code of 1986, as amended (an "**Event of Taxability**"), the indebtedness evidenced hereby shall thereafter bear interest at a variable rate equal to the Prime Rate as published in the *Wall Street Journal* from time to time, plus 2.00% (the "**Taxable Rate**").

The Authority will pay to the Bank on demand the difference between the amount of interest which the Bank would have received in interest at the Taxable Rate if the indebtedness evidenced by this Note had borne interest at the Taxable Rate during the entire period that interest on this Note is so declared, determined or required to be taxable, together with such penalties and interest, if any, due and payable because of non-payment of Federal income taxation less interest paid at the Loan Rate above, notwithstanding that the indebtedness evidenced by this Note may have been paid in full prior to such declaration or determination. In the event of any such declaration or determination, the registered owner hereof shall promptly give written notice of the same to the Authority who shall have the privilege of contesting such declaration or determination in the name of the registered owner hereof by any available administrative or judicial proceedings, provided that it does so at its own expense and pays all costs, interest and/or penalties resulting therefrom. If such declaration or determination is reversed pursuant to the entry of a final determination, order, ruling or decree, all amounts theretofore paid to the Bank in excess of the Loan Rate shall be promptly refunded to the Authority and the rate of interest shall revert to the Loan Rate.

2. **Payment Terms.** (a) Interest and principal shall be payable on the first day of each month during the term of this Note beginning June 1, 2022 until the Maturity Date.

- (b) Any principal and interest outstanding on the Maturity Date shall be payable at such time.

Any payment of principal or interest under this Note must be received by the Bank by 2:00 p.m. prevailing Eastern Time on a business day in order to be credited on such date. If any payment under this Note shall become due on a Saturday, Sunday or public holiday under the laws of the Commonwealth of Pennsylvania, 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. The Authority hereby authorizes the Bank to charge the Authority's deposit account at the Bank for any payment when due hereunder. Payments received will be applied to charges, fees and expenses (including attorneys' fees), accrued interest and principal in any order the Bank may choose, in its sole discretion.

The principal of this Note together with the interest thereon will be paid in the coin or currency of the United States of America that is legal tender for the payment of public and private debts. Any payment received more than 10 days after its due date must also be accompanied with a late charge in the amount of 5% of such payment.

**3. Default Rate.** Upon maturity, whether by acceleration, demand or otherwise, and at the option of the Bank upon the occurrence of any Event of Default and during the continuance thereof, this Note shall bear interest at a rate per annum (based on a year of 360 days, with twelve months of 30 days, and actual days elapsed) which shall be a fully variable rate per annum equal to the "Prime Rate" as published from time to time in the *Wall Street Journal* or any successor publication (the "Prime Rate") plus 2% per annum, such rate to be adjusted automatically each time the Prime Rate changes (but subject to a maximum interest rate of 17%) (the "Default Rate"). The contract interest rate(s) herein shall continue to apply whether or not judgment shall be entered on this Note.

**4. Prepayment.** The indebtedness evidenced by this Note may be prepaid in whole or in part, at any time, without penalty. Payments received by the Bank for the partial redemption of a Note in an amount greater than \$1,000,000.00 on any single day, entitles the Authority to elect to re-amortize the remaining outstanding principal amount to allow for reduced level monthly payments over the then-remaining term of the Note. Such re-amortization shall be calculated by the Bank and shall be final, absent manifest error. Upon redemption of a portion of a Note only, the Bank shall note the reduced principal outstanding on a separate ledger to be kept in connection with the Note.

**5. Loan Agreement.** This Note is executed and delivered under and pursuant to the terms of that certain Loan and Security Agreement dated \_\_\_\_\_, 2022, between the Bank and the Authority (the "Loan Agreement"), to which reference is hereby made for the purpose of incorporating herein all of the terms thereof. All capitalized terms not otherwise defined in this Note are used herein with the same meaning as used and defined in the Loan Agreement, unless the context otherwise requires.

**6. Right of Setoff.** In addition to all liens upon, and rights of setoff against, the Authority's money, securities or other property given to the Bank by law, the Bank shall have, with respect to the Authority's obligations to the Bank under this Note and to the extent permitted by law, a contractual possessory security interest in and a contractual right of setoff against, and the Authority hereby assigns, conveys, delivers, pledges and transfers to the Bank all of the Authority's right, title and interest in and to, all of the Authority's deposits, moneys, securities and other property now or hereafter in the possession of or on deposit with, or in transit to, the Bank, whether held in a general or special account or deposit, or whether held for safekeeping or otherwise. Every such security interest and right of setoff may be exercised without demand upon or notice to the Authority. Every such right of setoff shall be deemed to have been exercised immediately upon the occurrence of an Event of Default hereunder without any action of the Bank, although the Bank may enter such setoff on its books and records at a later time.

7. **Miscellaneous.** No delay or omission of the Bank to exercise any right or power arising hereunder shall impair any such right or power or be considered to be a waiver of any such right or power or any acquiescence therein nor shall the action or non-action of the Bank impair any right or power resulting therefrom. The Authority hereby covenants that it will include the amount of the debt service hereunder in its budget for the applicable fiscal year, and will duly and punctually pay or cause to be paid the entire principal hereof and the interest hereon at the place, on the dates and in the manner stated above, according to the true meaning and intent hereof, and for such budgeting and payment, the Authority hereby pledges its full faith and credit. The Authority agrees to pay on demand, to the extent permitted by law, all costs and expenses incurred by the Bank in the enforcement of its rights in this Note and any security therefor, including without limitation reasonable fees and expenses of the Bank'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.

This Note has been delivered to and accepted by the Bank and will be deemed to be made in the Commonwealth of Pennsylvania. This Note will be interpreted and the rights and liabilities of the parties hereto determined in accordance with the laws of the Commonwealth of Pennsylvania, excluding its conflict of laws rules. The Authority hereby agrees to the jurisdiction of any state or federal court located within the county where the Bank's office identified above is located, or such other venue as the Bank chooses, and consents that all service of process be send by nationally recognized overnight carrier service directed to the Authority at the Authority's address set forth in the Agreement for notices and service so made will be deemed to be completed on the business day after deposit with such courier; provided that nothing contained herein will prevent the Bank from bringing any action or exercising any rights against any security or against the Authority individually, or against any property of the Authority within any other state or nation to enforce any award or judgment obtained in the venue provided above, or such other venue as the Bank chooses. The Authority waives any objection to venue and any objection based on a more convenient forum in any action instituted hereunder.

This Note evidences a borrowing for a Project under the Act pursuant to a resolution of the Authority duly and regularly enacted in accordance with the provisions of the Act.

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.

**WAIVER OF JURY TRIAL. THE AUTHORITY WAIVES ANY AND ALL RIGHTS THE AUTHORITY 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 AND ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.**

**WARRANT OF ATTORNEY TO CONFESS JUDGMENT. THE AUTHORITY HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS THE PROTHONOTARY, ANY ATTORNEY OR ANY CLERK OF ANY COURT OF RECORD, WITH OR WITHOUT DEFAULT, TO APPEAR FOR AND CONFESS JUDGMENT AGAINST THE AUTHORITY FOR SUCH SUMS AS ARE DUE AND/OR MAY BECOME DUE UNDER THE LOAN AND SECURITY AGREEMENT, DATED \_\_\_\_\_, 2022 BETWEEN THE AUTHORITY AND THE BANK WITH OR WITHOUT DECLARATION, WITH COSTS OF SUIT, WITHOUT STAY OF EXECUTION AND WITH AN AMOUNT EQUAL TO FIVE PERCENT (5%) OF THE AMOUNT**

OF SUCH JUDGMENT, BUT NOT LESS THAN ONE THOUSAND DOLLARS (\$1,000) ADDED FOR ATTORNEYS' COLLECTION FEES. TO THE EXTENT PERMITTED BY LAW, THE AUTHORITY RELEASES ALL ERRORS IN SUCH PROCEEDINGS. THE AUTHORITY AND POWER TO APPEAR FOR AND CONFESS JUDGMENT AGAINST AUTHORITY SHALL NOT BE EXHAUSTED BY THE INITIAL EXERCISE THEREOF AND MAY BE EXERCISED AS OFTEN AS THE BANK SHALL FIND IT NECESSARY AND DESIRABLE AND THE NOTE OR A COPY THEREOF SHALL BE A SUFFICIENT WARRANT THEREFOR. THE BANK MAY CONFESS ONE OR MORE JUDGMENTS IN THE SAME OR DIFFERENT JURISDICTIONS FOR ALL OR ANY PART OF THE AMOUNT OWING HEREUNDER, WITHOUT REGARD TO WHETHER JUDGMENT HAS THERETOFORE BEEN CONFESSED ON MORE THAN ONE OCCASION FOR THE SAME AMOUNT. IN THE EVENT ANY JUDGMENT CONFESSED AGAINST THE AUTHORITY HEREUNDER IS STRICKEN OR OPENED UPON APPLICATION BY OR ON AUTHORITY'S BEHALF FOR ANY REASON, THE BANK IS HEREBY AUTHORIZED AND EMPOWERED TO AGAIN APPEAR FOR AND CONFESS JUDGMENT AGAINST THE AUTHORITY FOR ANY PART OR ALL OF THE AMOUNTS OWING HEREUNDER, AS PROVIDED FOR HEREIN, IF DOING SO WILL CURE ANY ERRORS OR DEFECTS IN SUCH PRIOR PROCEEDINGS.

WITNESS the due execution and sealing hereof with the intent to be legally bound hereby.

ATTEST:

CLAIRTON MUNICIPAL AUTHORITY  
(Allegheny County, Pennsylvania)

By: \_\_\_\_\_  
Kevin L. Johnson, Secretary

By: \_\_\_\_\_ (SEAL)  
Douglas Ozvath, Chairman

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ (Tax Identification or Social Security No. \_\_\_\_\_) the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

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

Signature Guaranteed

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

\_\_\_\_\_  
NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.