

**AGENDA**  
**REGULAR MEETING OF COUNCIL**  
**May 21, 2018**  
**6:00 PM**

1. ROLL CALL
2. READING OF MINUTES
3. REPORTS & COMMUNICATIONS FROM MAYOR & HEADS OF DEPARTMENTS AND INTERESTED PARTIES AND CITY CLERK'S NOTES
- 3.A TAX ASSESSOR'S REPORT FOR HEARING DATE TO BE HELD MAY 30, 2018.

[Tax Assessor's Report for 5-30-18.pdf](#)

- 3.B MINUTES OF THE REGULAR MEETING OF THE MEMBERS OF SCRANTON HOUSING AUTHORITY HELD APRIL 2, 2018.

[Scranton Housing Authority 04-02-18.pdf](#)

- 3.C MINUTES OF THE SCRANTON FIREFIGHTERS PENSION COMMISSION MEETING HELD APRIL 18, 2018.

[Firefighters Pension Commission Meeting 4-18-18.pdf](#)

- 3.D MINUTES OF THE NON-UNIFORM MUNICIPAL PENSION BOARD MEETING HELD APRIL 18, 2018.

[Non-Uniform Municipal Pension Board Minutes 4-18-18.pdf](#)

- 3.E MINUTES OF THE SCRANTON POLICE PENSION COMMISSION MEETING HELD APRIL 18, 2018.

[Scranton Police Pension Commission Meeting 4-18-18.pdf](#)

- 3.F MINUTES OF THE COMPOSITE PENSION BOARD MEETING HELD APRIL 18, 2018.

[Composite Pension Board Minutes 4-18-18.pdf](#)

- 3.G AGENDA FOR THE NON-UNIFORM MUNICIPAL PENSION BOARD MEETING HELD MAY 16, 2018.

[Agenda for Non-Uniform Municipal Pension Board 5-16-18.pdf](#)

- 3.H AGENDA FOR THE CITY PLANNING COMMISSION MEETING TO BE HELD MAY 23, 2018

[Agenda for City Planning Commission Meeting 5-23-18.pdf](#)

#### 4. CITIZENS PARTICIPATION

#### 5. INTRODUCTION OF ORDINANCES, RESOLUTIONS, APPOINTMENT AND/OR RE-APPOINTMENTS TO BOARDS & COMMISSIONS MOTIONS & REPORTS OF COMMITTEES

- 5.A A. MOTIONS

- 5.B FOR INTRODUCTION - AN ORDINANCE - CREATING AND ESTABLISHING SPECIAL CITY ACCOUNT NO. 02.229629 ENTITLED "NCS-X" FOR THE RECEIPT OF GRANT FUNDS FROM THE PENNSYLVANIA COMMISSION ON CRIME AND DELINQUENCY NATIONAL CRIME STATISTICS EXCHANGE (NCS-X) PROGRAM.

[Ordinance-2018 Special City Acct for Crime Stats Exchange Program.pdf](#)

- 5.C FOR INTRODUCTION - A RESOLUTION - APPOINTMENT OF DAVID BULZONI, 2187 PORT ROYAL ROAD, CLARKS SUMMIT, PENNSYLVANIA, 18411 TO THE POSITION OF BUSINESS ADMINISTRATOR EFFECTIVE MAY 7, 2018. MR. BULZONI WILL BE REPLACING REBECCA MCMULLEN WHO WAS SERVING AS ACTING BUSINESS ADMINISTRATOR.

[Resolution-2018 Appt David Bulzoni Business Administrator May 7, 2018.pdf](#)

- 5.D FOR INTRODUCTION - A RESOLUTION - AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO WAIVE THE RESIDENCY REQUIREMENTS FOR DAVID BULZONI, CITY OF SCRANTON BUSINESS ADMINISTRATOR.

[Resolution-2018 Waive Residency Requirements for David Bulzoni.pdf](#)

6. CONSIDERATION OF ORDINANCES - READING BY TITLE

- 6.A NO BUSINESS AT THIS TIME.

7. FINAL READING OF RESOLUTIONS AND ORDINANCES

- 7.A FOR CONSIDERATION BY THE COMMITTEE ON COMMUNITY DEVELOPMENT - FOR ADOPTION - RESOLUTION NO. 38, 2018 - AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS FOR THE CITY OF SCRANTON TO ENTER INTO A LOAN TO GRANT AGREEMENT AND MAKE A LOAN/GRANT FROM THE CITY OF SCRANTON BUSINESS AND INDUSTRY LOAN/GRANT PROGRAM FOR PROJECT NO. 150.44 IN AN AMOUNT NOT TO EXCEED \$70,000.00 TO DISCOVERY MULTIPLE INTELLIGENCES PRESCHOOL, TO ASSIST AN ELIGIBLE PROJECT.

[Resolution - 2018- Loan to Grant to Discovery Multiple](#)

8. ADJOURNMENT

**TAX ASSESSOR'S REPORT**

Hearing Date: 05/30/18

Time	Name	Boro/Twp.	Pin Number	Attorney	Proposed/Curren t Assesed Value	After Appeal Value
12:15 PM	WHITMAN JOSEPH W & TRACY	SCRANTON	12417020051		2100	
12:25 PM	JENKINS GEORGE&BAR-ONEIL CAR	SCRANTON	13517060015		1900	
12:35 PM	SLOVAK JAMES P	SCRANTON	15719010040	WILLIAM RINALDI	33000	
12:45 PM	SAVINO REALTY LLC	SCRANTON	14518060013		12000	
12:55 PM	FINKELSTEIN HAROLD J& NAOMI	SCRANTON	15712020011		25000	
1:05 PM	DECKER MARK A & JANE	COVINGTON TWP	2120201000501		23000	
1:15 PM	IRELAN VICTOR P JR & WESLEY S	COVINGTON TWP	220020800791		5650	
1:25 PM	SHVARTSMAN OLEG &NATAL	COVINGTON	22004070076		9650	
1:35 PM	ASHMYAN ILYA	COVINGTON	22801020023		6250	
1:45 PM	BEAVERS SANDRA	DUNMORE	14606010027		10248	
1:55 PM	MILAZZO DIANE	ROARING BROOK	18003030004		27840	
2:05 PM	BONOMO GENE MARK & ELAINE	THORNHURST	2410304000101		24000	
2:15 PM	HOBAN JOHN P & MELISSA M	ARCHBALD	09402050005		62000	
2:25 PM	GOMBAR CHRISTOPHER J & SARAH	ARCHBALD	09402050011		62700	
2:35 PM	ERZEN FAMILY TRUST C/O FARBER	CARBONDALE CITY	04518040024	JOSEPH MCGRAW	2400	
2:45 PM	TOLERICO JOHN	FELL TWP	03503010021		19500	
2:55 PM	ROSA EDWARD J	JEFFERSON TWP	11801010008		13250	
3:05 PM	CHORBA STEPHEN J & KAREN ANN	JEFFERSON	1400101000223		2500	
3:15 PM	ROOD GRETCHEN A	JERMYN	0731608001700		14500	
3:25 PM	THE DEVEREUX FOUNDATION	DICKSON CITY	11413030008		20000	

TOTAL RECORDS 20

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(01/01) 05/11/2018 11:12:07 AM

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MINUTES OF THE REGULAR  
MEETING OF THE MEMBERS OF  
SCRANTON HOUSING AUTHORITY  
APRIL 2, 2018

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The members of the Scranton Housing Authority met in a regular session at the office of the Authority in the City of Scranton, Pennsylvania, at 5:00 P.M. on April 2, 2018.

Pledge of Allegiance.

Mrs. Mary Anne Sinclair, Madame Chairman, called the meeting to order. Roll call please.

1. Roll Call.

Present	Absent
Mary Anne Sinclair Mary Clare Kingsley Thomas J. Galella, Jr. Thelma Wheeler	Terrence V. Gallagher

In addition to the board members, those in attendance were Gary P. Pelucacci, Executive Director, Karl P. Lynott, Deputy Executive Director; Boyd Hughes, Solicitor, and Ann Frye, Executive Assistant to the Executive Director.

2. Executive Session.

Mrs. Sinclair: Executive Session.

Attorney Hughes: Yes, Madame Chairman, we discussed litigation and personnel.

Mrs. Sinclair: Thank you.

3. Approval of the minutes of the Regular Meeting held March 5, 2018.

Mrs. Sinclair: Approval of the minutes of the regular meeting held March 5, 2018.

Ms. Kingsley: So moved.

Mr. Gallela: Second.

Upon roll call, the ayes and nays were as follows:

AYES	NAYS
Mary Anne Sinclair Mary Clare Kingsley Thomas J. Galella, Jr. Thelma Wheeler	None

4. Treasurer’s Report for the period February 1, 2018 to February 28, 2018.

Mrs. Sinclair: Treasurer’s Report for the period March 1, 2018 to March 28, 2018.

Mr. Galella: This report is as of March 28, 2018. The balances in our checking accounts and Money Market accounts are \$4,051,118.37. The Section 8 NRA Fund has a balance of \$554.80. This savings account is required by HUD to deposit excess HAP funds not used by the Authority. The payroll account will now be listed as the bank is requiring the account to have on deposit the amount of the direct deposit funds two days prior to the disbursement of the funds. Thus, the SHA will keep at minimum at least \$75,000 on deposit in the payroll account. Investments made in Certificates of Deposits amounted to \$4,701,691.34. Petty Cash totaled \$300.00, for a grand total of \$8,753,664.51. Paid bills from March 1, 2018 to March 28, 2018 were forwarded to all board members. If there are no questions, a motion should be made for approval of this report.

Ms. Wheeler: So moved.

Mr. Gallela: Second.

Upon roll call, the ayes and nays were as follows.

AYES	NAYS
Mary Anne Sinclair Mary Clare Kingsley Thomas J. Galella, Jr. Thelma Wheeler	None

5. Secretary's Report.

Mrs. Sinclair: Secretary's Report. There is nothing under communications .

6. Committee Reports.

6.(a) Chairman Report.

Mrs. Sinclair: Committee Reports, I have nothing to report at this time. Executive Director's Report.

6. (b) Executive Director Report.

Mr. Pelucacci: Yes, Madame Chairman. Under our Utility Report for the month of February, 2018 our total utility cost was \$167,862,74 and for the month of March, 2018 our total utility cost was \$194,906.81.

On our Tenant's Accounts Receivable Report, for the month of January, 2018 we had a total of 318 delinquents totaling \$178,820.94; for the month of February, 2018 we had 313 delinquents totaling \$162,421.30 and for the month of March, 2018 we had 238 delinquents totaling \$149,979.90.

On our Construction Report Madame Chairman, contracts have been signed and work is about to begin on the Comprehensive renovations of Buildings 15 & 17 at Valley View Terrace.

That is all I have, Madame Chairman.

Mrs. Sinclair: Thank you. Attorney Hughes, Solicitor's Report.

6.(c) Solicitor Report.

Attorney Hughes: Yes, Madame Chairman, we have two items. One is a bid opening for cleaning supplies for all developments, and Resolution No. 18-12 for the sanitary stormwater sewer easement between the Scranton Housing Authority and the Scranton Sewer Authority.

Mrs. Sinclair: Thank you. Apartment Report.

6.(d) Apartments.

Mr. Pelucacci: Yes, Madame Chairman. Under our Public Housing Program, we have an A.C.C. of 1,268 units with 1,213 units under effective lease. There are Fifty-Five (55) vacant apartments in which Seventeen (17) vacant units are under modernization at Valley View Terrace. Under our Section 8 Housing Choice Voucher Program, we have an A.C.C. of 1050 units with 864 units under effective lease. Total apartments under effective lease by the Scranton Housing Authority as of March 31, 2018, are 2,077 out of an A.C.C. of 2,318.

That concludes the Apartment Report, Madame Chairman.

Mrs. Sinclair: Any unfinished business?

7. Unfinished Business.

Mr. Pelucacci: Not to my knowledge, Madame Chairman.

Mrs. Sinclair: New Business.

8. New Business.

8.(a) Resolution No. 18-11 – Approval to Amend the Procurement Policy to Increase the Threshold Amount for Small Purchases from \$19,700 to \$20,100.

Mr. Pelucacci: Madame Chairman, Item 8.(a) is Resolution No. 18-11 which amends the Procurement Policy of the Scranton Housing Authority to increase the threshold amount for small purchases from \$19,700 to \$20,100.

“Whereas, the U.S. Department of Housing and Urban Development (“HUD”) requires that every public housing authority establish a Procurement Policy to insure that any expenditure of public monies is conducted pursuant to 24 CFR 85.36, as well as the applicable procurement statutes of the Commonwealth of Pennsylvania; and

Whereas, the Scranton Housing Authority (“Authority”) has reviewed its existing policy and has deemed necessary to amend the Procurement Policy in order to be consistent with 24 CFR 85.36 and applicable procurement statutes of the Commonwealth of Pennsylvania; and

Whereas, the Commonwealth of Pennsylvania has recently changed the law to increase the threshold amount for small purchases to \$20,100 so that advertisements and sealed bids are only required for contracts expected to exceed \$20,100; and

Whereas, the current Procurement Policy references the threshold amount for small purchases on Pages 3, 4, 9, 11, 13 and 14; and

Now, Therefore, Be It Resolved this 2<sup>nd</sup> day of April, 2018, that the Scranton Housing Authority Board of Commissioners hereby amend the Procurement Policy; specifically, Pages 3, 4, 9, 11, 13 and 14 to increase the threshold amount required for small purchases from \$19,700 to \$20,100.”

It would be my recommendation that the Board of Commissioners pass Resolution No. 18-11.

Ms. Kingsley: So moved.

Mr. Gallela: Second.

Upon roll call, the ayes and nays were as follows.

AYES

NAYS

Mary Anne Sinclair  
Mary Clare Kingsley  
Thomas J. Galella, Jr.  
Thelma Wheeler

None

8.(b) Bid Opening – March 22, 2018 – Cleaning Supplies for all Developments.

Mr. Pelucacci – Item 8.(b) is for a bid opening for cleaning supplies for all developments. The bid opening was on March 22, 2018 at 10:00 a.m. The Scranton Housing

Authority received one bid. The bid was from Pennsylvania Paper & Supply Company, Inc. for \$22, 589.17 dollars and seventeen cents. The bid was reviewed by our staff and our Solicitor.

It would be my recommendation that the Board award the contract to Pennsylvania Paper & Supply Company, Inc. for \$22,589.17.

Ms. Kingsley: So moved.

Ms. Wheeler: Second.

Upon roll call, the ayes and nays were as follows.

AYES	NAYS
Mary Anne Sinclair Mary Clare Kingsley Thomas J. Galella, Jr. Thelma Wheeler	None

8.(c) Resolution No. 18-12 – Approving a Sanitary/Stormwater Sewer Easement between the Scranton Housing Authority and the Scranton Sewer Authority over portions of Scranton Housing Authority property in the 100 Block of Meridian Avenue.

Mr. Pelucacci: Item 8.(c) I will turn over to Attorney Hughes.

Attorney Hughes: Yes, at our last meeting we adopted a Resolution approving the sanitary/stormwater easements between the Scranton Housing Authority and the Scranton Sewer Authority. There were actually nine on, however number five was taken off the agenda because the Sewer Authority did not give us the proper documentation. Since then Attorney Shrive and I have gone over that and I redrafted a resolution because they did revise their map by putting language that I wanted on these three easements because they come up five feet close to the building. They have to keep all excavation five feet from the building foundation but the reason they're close to the building is because they want to be able to close that off so that none of the residents could walk in there and may be get injured. So, I would recommend that this be

approved. This will complete all of the sanitary/stormwater easements between the Scranton Housing Authority and the Scranton Sewer Authority.

Mr. Galella: So moved.

Ms. Kingsley: Second.

Upon roll call, the ayes and nays were as follows.

AYES

NAYS

Mary Anne Sinclair  
Mary Clare Kingsley  
Thomas J. Galella, Jr.  
Thelma Wheeler

None

Mrs. Sinclair: Personnel.

9. Personnel.

Mr. Pelucacci: Yes, Madam Chairman, under personnel, we have no resignations and one retirement. There is currently no one on workers compensation. Paul Morgan is currently of long term disability.

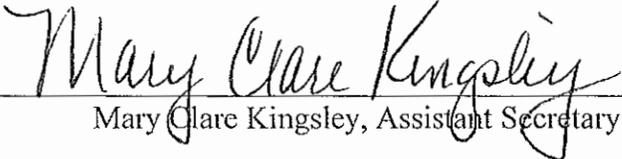
That concludes the personnel report Madame Chairman.

Mr. Pelucacci: That concludes the Personnel Report, Madame Chairman.

10. Public Comment.  
(No one present for public comment.)

11. Adjournment.

There being no further business to come before the board, the meeting was adjourned at the call of the Chair on motion made by Mr. Galella, and seconded by Ms. Wheeler.

  
Mary Clare Kingsley, Assistant Secretary

## Certificate

I, Mary Clare Kingsley, hereby certify that:

1. I am the duly appointed, qualified and Assistant Secretary of the Scranton Housing Authority.

2. I am custodian of the records of said Authority.

3. The attached copy of the Minutes of the Regular Meeting of said Authority held April 2, 2018 is a true and correct copy of the original Minutes of said meeting, as approved at the meeting of said Authority on May 7, 2018 and is recorded in the Minutes of the Authority.

In Witness Whereof, I have hereunto set my hand and the corporate seal of this Authority this 7th DAY of MAY, 2018.

  
\_\_\_\_\_  
Mary Clare Kingsley  
Assistant Secretary

## CITY OF SCRANTON FIREFIGHTERS PENSION COMMISSION

Minutes

April 18, 2018

The Scranton Firefighters Pension Commission was called to order at 08:33 hrs. The following members were in attendance:

Chairman     John Judge  
 Secretary    Brian Scott  
 Active Rep.   Jim Sable  
 Retired Rep.  Bernard Garvey  
 Retired Rep.  Terry Osborne  
 Attorney     Larry Durkin  
 Controller    Rosanne Novembrino

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Motion to accept March 2018 minutes by Sable, second by Garvey. Motion carried.

Correspondence:

None

Bills:

Motion to pay Durkin and MacDonald LCC \$362.50 by Osborne, second by Garvey.

Motion to pay bill carried.

Old Business:

Judge asked Durkin for written opinion on Paul Laskowski military buy-back refund request. Durkin stated Auditor General report from other municipality was based on Act 600 and Scranton is a Class 2A code. Judge stated Laskowski had his time and the police officer in the AG report from other municipality did not.

Sable stated there was not a meeting with city in pension doctor fees issue.

Garvey asked if Durkin had opinion yet for 5-year marriage rule for widow pensions.

Durkin stated he would have it for next month meeting.

New Business:

Passing of retiree Richard Pica, Frank Stone, and Charles Braz.

Judge updated on composite pension disbursements from sewer sale. Judge wanted investment rate lowered and he was looking to give the city time to look at disbursement options. It was voted on 45%, 45%, 10% split between funds at composite meeting. A letter was sent to city by composite board to put funds in a trust per agreement. Judge stated Mitchell's statements were insulting. Sable stated that was not the union stance on the issue.

Garvey asked if a third party monitors investments. Judge stated PFM does investments and composite board monitors them and the board has the call on what funds are invested. Osborne stated PFM hires money managers to do investments. Prudential and Merrel Lych were hired separately to monitor investments. Judge will ask at next composite meeting.

Application for Membership: None

Application for Pension:

Motion by Novembrino to grant Robert Strong Sr. a length-of-service pension, second by Scott. Motion carried.

Motion by Sable to grant John Ruby a length-of-service pension, second by Osborne. Motion carried.

Motion by Osborne to grant Robert Corbett a length-of-service pension, second by Sable. Motion carried

Audience: Jim Sweeney would like to know when retiree raises would be distributed as per file of council 153. Durkin stated that point of authority is state law and that it stated the fund must be actuarial sound. Durkin stated the board can not do it because of state law and Judge Mazzone opinion. Judge asked if we could ask for clarification from Judge Mazzone. Durkin will look into it. Sweeney stated he can file a lawsuit and Durkin agreed that is correct. Durkin stated to sue the board and ask for declaratory relief to distinguish between groups of retirees. Judge asked that Durkin look into it.

Motion to Adjourn:

Motion to adjourn by Osborne, second by Sable. Motion Carried

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*Pennsylvania*

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*Municipal Pension Fund*

**MINUTES**

**NON-UNIFORM MUNICIPAL PENSION BOARD**

**APRIL 18, 2018**

The City of Scranton's Non-Uniform Municipal Pension Board held their monthly meeting on Wednesday, April 18, 2018 at 9:30 A.M. in City Council Chambers.

In attendance were:

- John Hazzouri**, Vice President
- Roseann Novembrino**, City Controller
- Larry Durkin**, Esquire, Attorney for Board
- Lori Reed**, Proxy for City Council
- Danielle Kennedy**, Proxy for Mayor

Absent:

**Ernest Reich**, President

**Vice-President Hazzouri** asked for a motion to accept the minutes of the March 21, 2018 meeting as presented.

**Mrs. Reed** made a motion to accept the minutes from the prior meeting.

**Mrs. Novembrino** seconded the motion.

**Vice-President Hazzouri:** All in favor say aye. (All were in favor). Motion carried.

**Vice-President Hazzouri:** First item on our agenda, received an invoice from Durkin MacDonald, LLC in the amount of \$4,118.00 which represents services rendered from March 20, 2018 through April 16, 2018. Do I have a motion on the floor to accept?

**Mrs. Reed** made a motion to pay the invoice to Durkin MacDonald.

**Mrs. Kennedy** seconded the motion.

**Vice-President Hazzouri:** All in favor say aye. (All were in favor). The ayes have it.

**Vice-President Hazzouri :** Item number 2, received a request for a refund of pension contributions from Sheldon Roberts who had been employed as the City's Mechanical Inspector from September 28, 2009 through April 6, 2018. Mr. Roberts has contributed a total of 103-1/2 months at \$22.00 per month and is due a refund of \$2,277.00. Do I have a motion to accept?

**Mrs. Novembrino** made a motion to approve the refund to Mr. Roberts.

**Mrs. Reed** seconded the motion.

**Vice-President Hazzouri:** All in favor? (All were in favor). Motion carried. I just want to say that he was an excellent employee for the City of Scranton for the time that he was here. Is there anything from the Board?

**Attorney Durkin:** As an update, the reason the legal bill was high this time was because our briefs were due in the double pension litigation so we filed our response to the retirees' appeal by the end of last week. There are two components to it. One, we opposed their request to have it overturned and also, we are saying that the court should order them to pay back the money. That's the most significant activity that has occurred. The other litigation that is out there is the Sulla litigation. We continue to object to that litigation on the basis that we think they don't have standing to bring it. We filed preliminary objections to it. Our brief was due yesterday. It's a work in

progress and we will be filing that shortly with the court. That's the update on the issues that I have dealt with.

**Vice-President Hazzouri:** Anything from the audience.

**Patty Fowler** asked if the Composite Board votes to give the Non-Uniform's share of the proceeds from the sale of the sewer authority trust agreement to the firemen's fund, do we have legal standing to go after it?

**Attorney Durkin** stated the Board's vote was a split of 45-45-10 and that there are mechanisms by which somebody could be asked to reconsider that vote but that has not happened. There are two representatives on the Board to advocate for the Non-Uniform position and it's the same for the Police and Fire. There was not a bright line legal answer to how this money should be allocated. The opinion that Attorney Durkin gave to the Board was that the Board had the authority to decide on the allocation and it's frankly within the discretion of the Board. Attorney Durkin did not want to get in to offering opinions on who can do what on a hypothetical vote.

**Patty Fowler** said she was not asking for a legal opinion.

**Attorney Durkin** stated that it is a legal opinion and she might be better served by asking her own counsel that question and he was just summarizing what has happened to date. The Trust Document, which outlines how the money is to be handled really doesn't touch on this question.

**Marie Schumacher** asked if there was a time after the vote is taken for it to be final.

**Attorney Durkin** stated that the Board has the ability to reconsider a vote and he thought they could reconsider it but once the money is transferred, that would be the end of the discussion.

**Daria Vogel** asked if there was a particular individual when Attorney Durkin made reference to them seeking their own counsel and asked if there were by-laws for the Non-Uniform Pension Board and does it address absences.

**Attorney Durkin** suggested that they speak to their Union representative and stated that he was not aware of a set of by-laws for the Non-Uniform Board. There are

ordinances that the NUMPB has the ability to govern how the fund is used and how the Board operates and the ordinances are the most direct source of authority. To his knowledge, the Board has never adopted formal by-laws on the operation of the Board and specifically on the question of absences.

**Daria Vogel** stated that since we only have two votes, she was concerned about the absence of one of our NUMPB representatives during such an important Composite Pension Board vote.

**Vice-President Hazzouri:** Anything else from the audience? Do I have a motion to adjourn?

**Mrs. Novembrino** made a motion to adjourn the meeting.

**Mrs. Kennedy** seconded it.

**Vice-President Hazzouri:** All in favor? (All were in favor).

Meeting adjourned at 9:43 A.M.

Minutes approved by: \_\_\_\_\_ Date: \_\_\_\_\_  
John Hazzouri, Vice-President

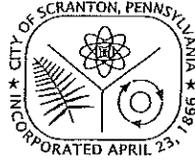
Respectfully submitted: \_\_\_\_\_ Date: \_\_\_\_\_  
Kathy Carrera, Recording Secretary

# Council of the City of Scranton

340 No. Washington Avenue • Scranton, Pennsylvania 18503 • Telephone (570) 348-4113 • Fax (570) 348-4207

Lori Reed  
City Clerk

Amil Minora, Esq.  
Counsel



## PROXY

Pat Rogan, President  
Timothy Perry, Vice President  
William Gaughan  
Wayne Evans  
Kyle Donahue

I, Patrick Rogan, hereby revoke any previous proxies and appoint Lori Reed as my proxy to attend the meeting of:

NON-uniform pension board

On:

April 18, 2018

And any continuation or adjournment thereof and to represent, vote and otherwise act for me in the same manner and with the same effect as if I were personally present.

This proxy and the authority represented herein is valid only on the above date and shall not survive said date.

Dated: 4/18/18

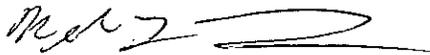
Signed: Pat Rogan

Witness: Jeanne Davidson

PROXY

I, William L. Courtright, hereby revoke any previous proxies and appoint Danielle Kennedy, Human Resource Director/Assistant Business Administrator, as my proxy to attend the meeting of the Non-Uniform Pension Board Meeting and any continuation or adjournment thereof, and to represent, vote and otherwise act for me in the same manner and with the same effect as if I were personally present.

DATE: 04/18/18 

  
\_\_\_\_\_  
Mayor William L. Courtright  
City of Scranton

  
\_\_\_\_\_  
Witness

**SCRANTON POLICE PENSION  
COMMISSION MEETING**

SCRANTON CITY COUNCIL CHAMBERS  
APRIL 18, 2018

**BOARD MEMBERS**

1. THOMAS TOLAN- PRESENT
2. JUSTIN BUTLER- PRESENT
3. NANCY KRAKE- PRESENT
4. ROSEANNE NOVEMBRINO-PRESENT
5. PAUL HELRING- PRESENT
6. MICHAEL CAMMEROTA- PRESENT

ALSO IN ATTENDANCE ATTORNEY LARRY DURKIN.

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MINUTES FROM WEDNESDAY MARCH 21, 2018 MEETING OF THE SCRANTON POLICE PENSION COMMISSION MEETING, WERE REVIEWED. MOTION MADE BY HELRING TO ACCEPT THE MINUTES AND SECONDED BY BUTLER. THE MOTION PASSED.

**BILLS:**

A BILL FROM DURKIN MACDONALD LLC ATTORNEY AT LAW FOR SERVICES RENDERED FOR ONE MONTH. MARCH 20, 2018 THRU APRIL 16, 2018 TO THE AMOUNT OF \$246.50

A MOTION MADE BY BUTLER TO PAY DURKIN MACDONALD LLC ATTORNEY AT LAW FOR SERVICES RENDERED FOR 246.50 FROM MARCH 20, 2018 THRU APRIL 16, 2018. SECONDED BY NOVEMBRINO, ALL IN FAVOR MOTION PASSED.

**COMMUNICATION:**

A MOTION WAS MADE BY CAMMEROTA TO APPROVE RAYMOND KELLY FOR A REGULAR PENSION. IT WAS SECONDED BY BUTLER AND MOTION PASSED.

A MOTION TO ADJOURN WAS MADE BY BUTLER AND SECONDED BY KRAKE. MEETING ADJOURNED AT 1010HRS.

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**COMPOSITE PENSION BOARD MINUTES**

April 18, 2018

The regular meeting of the Composite Pension Board was held on Wednesday, April 18<sup>th</sup> at 11:00AM in City Council Chambers.

The following were in attendance:

**JUSTIN BUTLER – (Proxy) Police Employee Representative**  
**JOHN HAZZOURI – VP – Municipal Employee Representative**  
**ROBERT SENCHAK – Fire Employee Representative**  
**PAUL HELRING – Police Board Representative**  
**JOHN JUDGE – Fire Board Representative**  
**DANIELLE KENNEDY – (Proxy) Mayor**  
**LORI REED – (Proxy) City Council**  
**ROSEANN NOVEMBRINO – City Controller**  
**LARRY DURKIN – Durkin MacDonald (Legal Counsel) 4/13/2020**  
**JAMES KENNEDY – T. Anderson & Assoc. (Administrator)**  
**MARK YASENCHAK – PFM Group (Trustee)**

**John Hazzouri...** Called the meeting to order, he asked for a Motion to accept last month's meeting of March 21<sup>st</sup>. **Motion made by John Judge, seconded by Roseann Novembrino, all were in favor.**

**Bills:**

**PFM ... in the amount of \$10,277.96 Paul Helring made the Motion to pay, seconded by Danielle Kennedy, all were in favor.**

**Scranton Times... amount of \$78.25 Motion to pay made by John Judge, seconded by Paul Helring, all were in favor.**

**Beyer-Barber... in the amount of \$4,350.00 Motion made to pay by Roseann Novembrino, seconded by Paul Helring, all were in favor.**

**Thomas Anderson & Assoc... \$3,000.00 Motion made by Paul Helring, seconded by John Judge, all were in favor**

**Durkin & MacDonald... in the amount of \$667.00 Motion to pay made by Roseann Novembrino, seconded by Lori Reed, all were in favor**

**Correspondence:**

A letter from Durkin & MacDonald Re: Sewer Proceeds Trust Agreement. John read it to the Board. Larry said he sent the letter on Friday and he left a message also. He hasn't heard anything back. John Judge asked what is our next step on that, what is our recourse. Larry said he thinks it's called for under the Trust Agreement. In theory he thinks we can try to compel it but that's an involved process. He feels he would like to discuss it first. This may also be a union issue on some level since this was all the result of discussions with the unions. You may want to look at it from that prospective also. The Composite Board and the city are to two parties of the Trust Agreement. John Hazzouri asked with Morgan Stanley holding the money are we still getting interest. Larry said we're getting interest on it. The last statement he saw it was in a diversified portfolio which is an interest bearing account, yeah it's accumulating interest.

John Hazzouri asked for a Motion to accept our Special Meeting Minutes. **Paul Helring made the Motion, seconded by Roseann Novembrino, all were in favor.**

**Mark Yasenchak...** Made his presentation to the Board, he reviewed the market recap. The returns for March were marginally negative. The last three days have been a pretty good pickup in the market, the stock market. He reviewed the portfolio. The total fund return for the month of March was -0.70 for the year to date, the first three month period, it was -0.56.

Good news on two different fronts. The portfolio was able to protect on the downside, in other words not lose as much as the markets. You can see down -0.56 versus the benchmark of -0.95. The second part of the good news, through April, yesterday the portfolio was up about 1.25%. So we're kind of positive roughly .70 three quarters of a percent positive here year to date as of yesterday.

To recap, March and into April here a lot more downward especially the equity side if you look at the investments. A little loss on the fixed income side in March because some of the additional risks taken were towards corporate securities versus government agencies high yield exposure which got hit pretty good. That has turned around again, much more positive returns again in April. Not much to report on. The only thing he can say about March we have the kind of opposite here in April. We're positive year to date. One change that we will add and there should be correspondence coming out later today we are going to add in a small cap allocation. It's going to be an allocation of 2 to 3 percent.

The market value as of March 31<sup>st</sup> was \$70,646,890 return on investment was (500,023) We had positive gains here in April. The market value as of April 17<sup>th</sup> was \$72,273,263. You can see we are back above the March 1<sup>st</sup> number in the beginning of the month we picked up all those losses and then some. He reviewed the asset allocation. Not much has changed. We are roughly 3% overweight in equities and fixed income.

John Hazzouri asked if anyone on the Board had any questions for Mark. No response.

**Audience Participation:**

**Terri Morgan...** Asked about at City Council meeting they brought up the allocation of the money from the sewer sale, she asked if the Board was going to discuss it. John Hazzouri said that's up to the majority of the Board to bring it up if they want to. There was no response from the Board. (Terri asked something else but she spoke to low and I couldn't make it out.)

Bob said at the last meeting we talked about the allocation and the rate of return. It was something that was supposed to be taken back to the City in considering a reduction to the 6.5 and we were going to look to Mark to see what their expected rate of return was. Do we have any correspondence from the City as to their cost on the proposal or did we get what our expected rate of return is from Mark from the investment standpoint.

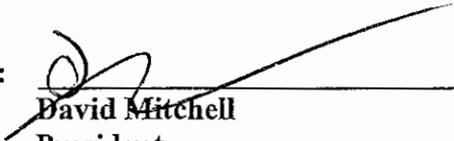
Danielle said at this time the City is not going pass 7%, in six months the City will look at it again. Bob said when he was looking at the numbers when they were provided the way he read them to go to 6.5% was going to give the City a \$2 million savings. John Judge thought that Dave was supposed to ask what the expected rate of return was. Paul asked Mark, Mark said 6.7% is the expected rate of return.

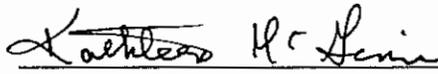
**John Hazzaour...** Asked if there was anything else, no response.

**Motion to adjourn made by John Judge, seconded by Paul Helring, all were in favor.**

**May 16<sup>th</sup> is our next Meeting.**

Minutes approved May 16, 2018:

  
\_\_\_\_\_  
David Mitchell  
President

  
\_\_\_\_\_  
Kathleen McGinn  
Recording Secretary

**RECEIVED**  
MAY 16 2018

*City of Scranton*  
Pennsylvania

RF

MAY 16 2018

OFFICE OF CITY  
COUNCIL/CITY CLERK



OFFICE OF CITY  
COUNCIL/CITY CLERK

*Non-Uniform Municipal Pension Fund*

**NON-UNIFORM MUNICIPAL PENSION**

**AGENDA**

**MAY 16, 2018**

1. RECEIVED AN INVOICE FROM DURKIN MACDONALD, LLC IN THE AMOUNT OF \$2,291.00 WHICH REPRESENTS SERVICES RENDERED FROM APRIL 17, 2018 THROUGH MAY 14, 2018.
  
2. RECEIVED CHECK # 523 DATED MAY 3, 2018 IN THE AMOUNT OF \$231.00 PAYABLE TO MELLON BANK FROM BRIAN MCANDREW FOR THE REMAINDER OF HIS 2018 PENSION CONTRIBUTIONS.



**CITY PLANNING COMMISSION**

CITY HALL : 340 NORTH WASHINGTON AVENUE : SCRANTON, PENNSYLVANIA 18503 : PHONE 570-348-4280 : FAX 570-348-4171

**CITY PLANNING COMMISSION**

**May 23, 2018**

**6:00 PM**

*Meeting Location*  
*City Council Chambers 2<sup>nd</sup> Floor*  
*City Hall*  
*340 N. Washington Ave.*  
*Scranton, PA*

**OLD BUSINESS:**

1. Review of Final Land Development plan by Scranton Retail Plaza, LLC to covert a medical office building into 8500 SF into a Market/Grocery at 940 Jefferson Ave. (R-2O zone)
2. Review of Final Land Development for proposed 4893 SF Sheetz Convenience/Gasoline Sales store by Randmar Development Co. Inc. at corner of 7<sup>th</sup> Ave. and Linden St. (C-G zone)

**NEW BUSINESS:**

1. Review of Final Land Development plan by BS Scranton LLC to construct a 48 unit midrise apartment building adjacent to the existing Kildare's Irish Pub at 119 Jefferson Ave. (C-D zone)

**RECEIVED**

**MAY 16 2018**

**OFFICE OF CITY  
COUNCIL/CITY CLERK**

FILE OF THE COUNCIL NO. \_\_\_\_\_

2018

AN ORDINANCE

**CREATING AND ESTABLISHING SPECIAL CITY ACCOUNT NO. 02.229629 ENTITLED "NCS-X" FOR THE RECEIPT OF GRANT FUNDS FROM THE PENNSYLVANIA COMMISSION ON CRIME AND DELINQUENCY NATIONAL CRIME STATISTICS EXCHANGE (NCS-X) PROGRAM.**

WHEREAS, this Special City Account is being established for the receipt of Grant funds from the Pennsylvania Commission on Crime and Delinquency National Crime Statistics Exchange (NCS-X) Program. The goal of the NCS-X is to assist agencies in transitioning to NIBRS by providing funding for reasonable costs associated with software, hardware, and labor that directly support or enhance technical capacity for collecting and processing data and submitting those data to the Pennsylvania UCR Program.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON that Special City Account No. 02.229629 is hereby established and that any and all appropriate City officials are authorized to execute any and all documents necessary to set up said account.

SECTION 1. If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of competent jurisdiction such decision shall not affect any other section, clause, provision or portion of this Ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Ordinance or any portion thereof from time to time as it shall deem advisable in the best interest of the promotion of the purposes and intent of this Ordinance, and the effective administration thereof.

SECTION 2. This Ordinance shall become effective immediately upon approval.

SECTION 3. This Ordinance is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Option Plans Law" and any other applicable law arising under the laws of the State of Pennsylvania.



DEPARTMENT OF BUSINESS ADMINISTRATION

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4118 • FAX: 570-348-4225

May 7, 2018

Jessica Eskra, Esq.  
City Solicitor  
Municipal Building  
Scranton, PA 18503

Dear Attorney Eskra:

Please prepare an Ordinance for Scranton City Council creating a new special city account for the purpose of receiving grant funds from the Pennsylvania Commission on Crime and Delinquency National Crime Statistics Exchange (NCS-X) program. The goal of the NCS-X is to assist agencies in transitioning to NIBRS by providing funding for reasonable costs associated with software, hardware, and labor that directly support or enhance technical capacity for collecting and processing data and submitting those data to the Pennsylvania UCR Program.

02.229629  
NCS-X

If you should have any questions regarding this matter, please do not hesitate to contact me.

Very truly yours,

Dave Bulzoni  
Business Administrator

DB:nmk

Cc: Roseann Novembrino, City Controller  
Wayne Beck, City Treasurer  
Lori Reed, City Clerk  
Andy Marichak, Financial Analyst  
Adam Joyce, Senior Accountant

RECEIVED

MAY 11 2018

OFFICE OF CITY  
COUNCIL/CITY CLERK



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

May 10, 2018

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE CREATING AND ESTABLISHING  
SPECIAL CITY ACCOUNT NO. 02.229629 ENTITLED "NCS-X" FOR THE  
RECEIPT OF GRANT FUNDS FROM THE PENNSYLVANIA COMMISSION ON  
CRIME AND DELINQUENCY NATIONAL CRIME STATISTICS EXCHANGE  
(NCS-X) PROGRAM.

Respectfully,

*Jessica Eskra (s)*

Jessica L. Eskra, Esquire  
City Solicitor

JLE/sl

RESOLUTION NO. \_\_\_\_\_

2018

**APPOINTMENT OF DAVID BULZONI, 2187 PORT ROYAL ROAD, CLARKS SUMMIT, PENNSYLVANIA, 18411 TO THE POSITION OF BUSINESS ADMINISTRATOR EFFECTIVE MAY 7, 2018. MR. BULZONI WILL BE REPLACING REBECCA MCMULLEN WHO WAS SERVING AS ACTING BUSINESS ADMINISTRATOR.**

WHEREAS, the Mayor has appointed David Bulzoni to the position of Business Administrator effective May 7, 2018, to replace Rebecca McMullen who was serving as Acting Business Administrator; and

WHEREAS, David Bulzoni, has the experience, education and training necessary to act as Business Administrator for the City of Scranton.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON that the appointment of David Bulzoni, 2187 Port Royal Road, Clarks Summit, Pennsylvania as Business Administrator is hereby approved, as is the execution of any and all documents necessary to formalize that appointment.

SECTION 1. If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Resolution and the effective administration thereof.

SECTION 2. This Resolution shall become effective immediately upon approval.

SECTION 3. This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.



OFFICE OF THE MAYOR

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4101 • FAX: 570-348-4251

May 7, 2018

Danielle Kennedy  
Human Resource Director  
340 N. Washington Ave.  
Scranton, Pa. 18503

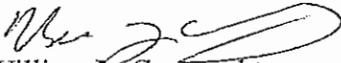
Dear Mrs. Kennedy:

Please be advised that I have appointed David Bulzoni, 2187 Port Royal Road, Clarks Summit, Pennsylvania 18411 to the position of Business Administrator for the City of Scranton effective Monday, May 7, 2018.

Pursuant to File of Council No. 17 of 1980, §4, it is in the best interest of the City that a waiver of the residency requirement be extended to Mr. Bulzoni.

Mr. Bulzoni's salary will be \$90,000.00 annually with benefits.

Sincerely,

  
William L. Courtright  
Mayor, City of Scranton

CC Roseann Novembrino, City Controller  
Business Administration  
Kathy McGinn, Payroll  
Debbie Torba, Insurance  
Jessica Eskra, City Solicitor  
David Bulzoni



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

RECEIVED

MAY 11 2018

OFFICE OF CITY  
COUNCIL/CITY CLERK

May 10, 2018

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION APPOINTMENT OF DAVID BULZONI, 2187 PORT ROYAL ROAD, CLARKS SUMMIT, PENNSYLVANIA, 18411 TO THE POSITION OF BUSINESS ADMINISTRATOR EFFECTIVE MAY 7, 2018. MR. BULZONI WILL BE REPLACING REBECCA MCMULLEN WHO WAS SERVING AS ACTING BUSINESS ADMINISTRATOR.

Respectfully,

*Jessica Eskra (s)*  
Jessica L. Eskra, Esquire  
City Solicitor

JLE/sl

RESOLUTION NO. \_\_\_\_\_

2018

**AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO WAIVE THE RESIDENCY REQUIREMENTS FOR DAVID BULZONI, CITY OF SCRANTON BUSINESS ADMINISTRATOR.**

WHEREAS, Mayor William L. Courtright appointed David Bulzoni as Business Administrator of the City of Scranton; and

WHEREAS, by Memorandum to Mayor Courtright dated May , 2018, Mr. Bulzoni is requesting a waiver of the residency requirements. A copy of the Memorandum is attached hereto as Exhibit "A" and incorporated herein by reference thereto; and

WHEREAS, due to various factors as noted in the Memorandum to Mayor Courtright Mr. Bulzoni is formalizing his request that a waiver under the procedures of Section 6-6 be granted at this time.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON that the residency requirements for David Bulzoni, City of Scranton Business Administrator are hereby waived.

SECTION 1. If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Resolution and the effective administration thereof.

SECTION 2. This Resolution shall become effective immediately upon approval.

SECTION 3. This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.

**MEMORANDUM**

**TO:** William Courtright, Mayor  
**FROM:** David Bulzoni, Business Administrator  
**RE:** Residency Status  
**DATE :** May 9, 2018

---

Please be advised that I hereby formalize my request for a residency waiver under the procedures of Section 6-6 of the general Code of the City of Scranton.

Thank you, again, for your consideration and I look forward to continuing my efforts to assist your administration to the best of my ability for as long as I retain this position.

Dave



DEPARTMENT OF LAW

PENNSYLVANIA

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

RECEIVED

MAY 11 2018

OFFICE OF CITY  
COUNCIL/CITY CLERK

May 10, 2018

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION AUTHORIZING THE MAYOR AND  
OTHER APPROPRIATE CITY OFFICIALS TO WAIVE THE RESIDENCY  
REQUIREMENTS FOR DAVID BULZONI, CITY OF SCRANTON BUSINESS  
ADMINISTRATOR.

Respectfully,

*Jessica Eskra (S)*  
Jessica L. Eskra, Esquire  
City Solicitor

JLE/sl

RESOLUTION NO. \_\_\_\_\_

2018

**AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS FOR THE CITY OF SCRANTON TO ENTER INTO A LOAN TO GRANT AGREEMENT AND MAKE A LOAN/GRANT FROM THE CITY OF SCRANTON BUSINESS AND INDUSTRY LOAN/GRANT PROGRAM FOR PROJECT NO.150.44 IN AN AMOUNT NOT TO EXCEED \$70,000.00 TO DISCOVERY MULTIPLE INTELLIGENCES PRESCHOOL, TO ASSIST AN ELIGIBLE PROJECT.**

WHEREAS, the City of Scranton Office of Economic and Community Development has available Program funds from Project No.150.44, from the City of Scranton's Business and Industry Loan/Grant Program which funds were transferred into this program from the Keystone Communities Enterprise Zone Program, to assist a business within the City of Scranton for the purpose of creating two (2) new full time equivalent job creations for low and moderate income persons; and

WHEREAS, the City of Scranton seeks to provide a Loan to Grant utilizing funds in Project No. 150.44, from the City of Scranton Business and Industry Loan/Grant Program in an amount not to exceed \$70,000.00 to be used for the purchase of Real Estate property for the operations of Discovery Multiple Intelligences Preschool to be located at 1301 Beech Street, Scranton, PA 18505, to develop said property for Educational uses including opening and the operation of a preschool facility for their use at the project site; and

WHEREAS, the Loan will convert to a Grant if Discovery Multiple Intelligences Preschool, fulfills the job creation requirements contained in the Loan to Grant Agreement; and

WHEREAS, this loan furthers the plan to revitalize Scranton.

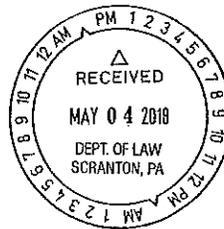
NOW, THEREFORE, BE IT RESOLVED that the Mayor and other appropriate City Officials are hereby authorized to enter into a Loan to Grant Agreement substantially in the form attached as Exhibit "A", and other required documents as needed, and to disburse the loan funds from Project No. 150.44, City of Scranton Business and Industry Loan/Grant Program in an amount not to exceed \$70,000.00 to Discovery Multiple Intelligences Preschool, a Pennsylvania non-profit corporation with a principal place of business located at 1301 Beech Street, Scranton, PA 18505.

**SECTION 1.** A disbursement of these funds is conditioned upon full execution of the attached Loan Agreement.

**SECTION 2.** If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Resolution and the effective administration thereof.

**SECTION 3.** This Resolution shall become effective immediately upon approval.

**SECTION 4.** This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, Known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.



May 4, 2018

Jessica Eskar, Esquire  
City Solicitor  
340 North Washington Avenue  
Scranton, Pennsylvania 18503

Re: Discovery MI Preschool  
OECD / \$70,000.00  
Project # 150.44

Dear Atty. Eskar:

Attached please find the "Draft" Resolution along with copies of the loan to grant documents to provide an Economic Development Loan to Grant to the (Discovery MI Preschool) in the amount of \$70,000.00.

This office would appreciate your review of this Resolution in order for this to pass Council. If you have any questions regarding this project, please contact Tom Preambo at [TPreambo@scrantonpa.gov](mailto:TPreambo@scrantonpa.gov) or 570/348-4216.

Sincerely,

Linda B. Aebli  
Executive Director

lba/tp

Letter only

cc: Mr. Tom Preambo, Deputy Director, OECD  
Atty. Sean Gallagher, Solicitor, OECD

**LOAN TO GRANT AGREEMENT  
UNDER  
BUSINESS AND INDUSTRY LOAN GRANT PROGRAM  
OF THE CITY OF SCRANTON  
AND  
DISCOVERY MULTIPLE INTELLIGENCES PRESCHOOL**

This Loan to Grant Agreement is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2018, by and between **The City of Scranton** (hereinafter referred to as the "**City**"), a municipal corporation organized and existing under the laws of the Commonwealth of Pennsylvania with offices located at 340 N. Washington Ave., Scranton, Pennsylvania 18503 and **Discovery Multiple Intelligences Preschool**, a Nonprofit Corporation organized and existing under Pennsylvania law, which has a place of business located at 1301 Beech Street, Scranton, Pennsylvania 18505. (hereinafter referred to as the "**Borrower**") and Owners, Officers & Board of Directors of **Discovery Multiple Intelligences Preschool** (hereinafter referred to as "Guarantors"). (Borrower City and Guarantors are sometimes referred to collectively herein as the "Parties").

**WITNESSETH**

**WHEREAS**, Borrower wishes to operate a business located in the City of Scranton; and

**WHEREAS**, the Borrower seeks to purchase and revitalize the property located at 1301 Beech Street, Scranton, PA 18505 (the "Property") for Educational uses (such Property also referred to herein as the "Project Site"); and

**WHEREAS**, the Borrower is seeking to borrow from the City **\$70,000.00** (the "Loan") and to use the Loan for acquisition of the Property for the Project (as hereinafter defined) to assist with the purchase of the Property for Educational uses including the opening and operation of the **Discovery Multiple Intelligences Preschool** at the Project Site and if the borrower fulfills the requirements of Section 6 hereof to have the Loan converted into a Grant; and

**WHEREAS**, The **Discovery Multiple Intelligences Preschool**, has made application to the City (the "Application") for a loan under the program known as the Scranton's Business & Industry Loan/Grant Program in the amount of \$70,000.00; and

**WHEREAS**, City herein agrees to provide financing under the Scranton's Business & Industry Loan/Grant Program by making a Loan to the Borrower in

the amount of **\$70,000.00** and, such funds are available from the Pennsylvania Keystone Communities Enterprise Zone Program to provide such financing by borrowing, at 2.5% interest; and

**WHEREAS**, the parties wish to herein provide for terms and conditions of repayment of the Keystone Communities Enterprise Zone Program Funds and designate the uses to which the Funds may be applied.

**NOW, THEREFORE**, the parties hereto, intending to be legally bound, do hereby mutually agree as follows:

LOAN TO GRANT

1. Keystone Communities Enterprise Zone Program Funds. City shall make the Loan to the Borrower(s) in the amount of **\$70,000.00**, which shall be advanced to them as in accordance with the terms and conditions set forth in the Application. Borrower(s) agree to adhere to all program guidelines and if this Agreement conflicts with those guidelines, the guidelines are the controlling document.

2. Interest on Keystone Communities Enterprise Zone Program Funds. If Borrower fulfills all of its obligations contained in Section 6 hereof within **Six (6)** months of the Closing Date, then all accrued interest and principal shall be forgiven by the City and the Loan shall be converted to a Grant and Borrower shall have no further obligation to repay any funds to the City for the Loan.

3. Availability of Keystone Communities Enterprise Zone Program Funds. The City has, by Notice of Award of Grant, and passage of Resolution No.     ? on the      day of     , 2018 approved making the Loan to the Borrower. Exhibit "A" attached -----*insert # after approval*

4. Terms for Repayment of the Keystone Communities Enterprise Zone Program Funds. The Loan shall be evidenced by the Borrower's note (the "Note"), dated as of Closing, in the principal amount of Seventy Thousand Dollars (**\$70,000.00**), containing the terms and conditions of payment set forth herein. In the event Borrower fails to satisfy the conditions in Section 6 hereof and the Loan is not converted to a Grant, then **Six (6) Months** after the Closing Date, the Borrower shall make its initial loan payment of **Six Hundred and Fifty Nine dollars and Eighty Nine Cents (\$659.89)**, and thereafter continue to make such payment on the same day of each subsequent month, for a total of **One Hundred Twenty (120)** months. The entire principal balance of the Loan, as well as any interest accrued thereon, shall be paid in full by Borrower on or prior to **One Hundred Twenty Six (126)** months after the execution of the Loan Agreement. There shall be no penalty for prepayment of the principal balance of the Loan.

5. Security. Repayment of the Keystone Communities Enterprise Zone Program Funds shall be secured by a security agreement providing for a Second lien on all the property owned by the Borrower(s), (the "Security Agreement"), a Promissory Note executed by the Borrower(s), and a Personal Guaranty executed by the Borrower(s).

6. Conditions. Funding of the Keystone Communities Enterprise Zone Program will be subject to Borrowers fulfilling the following conditions to the satisfaction of the City:

(a) Execution of the Note and Loan Agreement;

(b) Creation of New Jobs: As an absolute condition of the Loan, Borrower agrees to create, within **Six (6) months** from the date of this Loan Agreement, at least **Two (2) NEW**, full-time or full-time equivalent, permanent employee as a direct result of the project financed by the City Loan. The specific positions to be filled are described in the documents attached to this Loan Agreement (ATTACHMENT "A") by mutual consent between Borrowers and City. Borrower agrees to ensure that at least fifty-one (51%) percent of the positions described in the ATTACHMENT "A" will be held by and/or made available to low-and moderate income persons (24 CFR 570.208) as low-and moderate income persons as defined in 24 CFR 570.3.

Borrower agrees promptly to collect from its employees and potential employees the reasonable and necessary data and provide all necessary payroll records required by the City's Office of Economic and Community Development to monitor and verify compliance with the job creation requirement. Borrower shall turn such data over to City's Office of Economic and Community Development in a timely manner upon the request by City.

(c) Hiring Commitment Fulfillment. City shall review all employment data submitted in consideration of Borrower to have fulfilled the hiring commitment if the Borrower reports quarterly, beginning with the date of this Loan agreement, to the City any new positions created within the **Six (6) months** from the time Closing Date and they Borrower has presented to City a sworn statement which itemizes the positions created.

(d) Penalties for Failure to Meet Hiring Commitments. If, by **Six (6) months** from the date of this Agreement, Borrower shall have failed to fulfill the job creation requirements described in this Section, City at its option may do any or all of the following:

(i) Declare the Borrower in default and demand a repayment of the principal amount of the City Loans equal to the balance outstanding on the City Loans within thirty (30) days from the date of demand;

(ii) Require Borrower to pay within thirty (30) days of demand to City any penalty or recapture levied upon City which originated in Borrower's failure to fulfill their hiring commitments. The amount to be repaid shall not exceed the original amount of the City Loan.

(e) Sustained Operations and Employment

Borrower, as a condition of this Loan to Grant must remain open for Business and remain Operational for a period of **Sixty (60) consecutive months** after the Closing. Open for Business and Operational shall mean Borrower shall be open for business at least 5 days per week, 8 hours per day, except time closed for vacation of one (1) week per calendar year or closure due to act of God, fire, or a taking by a Governmental authority.

The parties hereto acknowledge that funds cannot be disbursed until completion by the city of all requirements necessary for it to be legally capable of making the loan.

7. Covenants. The Borrowers covenant and agree with the City that so long as any portion of the Loan remains outstanding and unpaid the borrowers shall:

- (a) pay promptly when due all installments of interest at the times and in the manner specified in the Note executed in accordance with this Loan Agreement and pay all other sums of every nature and kind comprising part of the Loan in the manner and at the times required by this Agreement and the Note; including principal and interest when due.
- (b) keep, perform, and comply with all covenants, terms, and conditions of this Loan Agreement;
- (c) as applicable, maintain all the franchises, licenses, permits and other authorizations required for the ownership of (**Discovery Multiple Intelligences Preschool**), and any various or affiliated partnerships or corporations, and continuously operate its business in compliance with the same and in accordance and in compliance with all statutes, ordinances and regulations applicable to such operation;
- (d) maintain the business property and its other assets in good order and condition, make all repairs, replacements and renewals necessary for the proper maintenance and operation of the same,

and permit authorized representatives of the City to inspect the same at reasonable times in the presence of authorized representatives of the Borrowers, and upon providing reasonable prior notice to the borrowers;

- (e) maintain property insurance, public liability insurance, flood insurance (if necessary), and such other types of insurance that the City may reasonably require, with insurance companies satisfactory to the City and in such amounts and against such risks as are customarily insured by similar entities, all to the reasonable satisfaction of the City; keep all insurance in full force and effect and pay all premiums therefore and deliver copies of all policies and certificates to the City with the interest of the City in all insured property covered under a standard mortgagee clause or a loss payable clause, as appropriate, the policies in all cases to provide for not less than ten days prior written notice to the City of any intended cancellation;
- (f) act prudently and in accordance with customary industry standards in managing and operating its business and property;
- (g) pay promptly when due all real estate taxes, sewer rentals, and other municipal assessments, rentals, and charges of every nature and kind at any time levied and imposed on the Project, as well as all debts, obligations, and claims of every nature and kind which, if unpaid, might or could become lien or charge upon the property and business, unless the validity thereof is being contested in good faith by the borrower by appropriate proceedings diligently conducted to the reasonable satisfaction of the City and the borrowers liability is covered by escrows or reserves that the City shall reasonably deem adequate;
- (h) furnish to the City, within one hundred twenty (120) days after the end of each fiscal year, financial statements of the borrowers prepared at a minimum, on a review basis, by certified public accountants acceptable to the City, certified to be correct;
- (i) furnish all additional information with respect to the borrower that the City may from time to time reasonably request. The borrowers hereby authorizes all duly constituted federal, state and municipal authorities to furnish to the City copies of audit reports of the borrowers made by any of them;
- (j) promptly give written notice to the City of any damage to the Property or any of its other assets or equipment as well as written notice of the revocation or termination of any franchise, license,

permit or other authorization required for the operation of its business or property or any other event, including litigation or other proceedings commenced or threatened, which might or could have a material adverse effect on The borrowers' financial condition or on the operation of The borrowers' business including any event which, after the passage of time or the giving of notice or both, would constitute an event of default under this Loan Agreement;

- (k) perform in a timely manner all of its covenants, obligations and agreements under each contract, lease, mortgage, deed of trust or other encumbrance or agreement relating to any asset owned by it; and
- (l) comply with all applicable provisions of the Keystone Communities Enterprise Zone Program and any and all regulations, ordinances or laws governing this Loan Program.

8. Representations and Warranties. To induce the City to provide the financing described in this Loan Agreement, the borrowers hereby represents and warrants to the City that:

- (a) **Discovery Multiple Intelligences Preschool**, is a Pennsylvania non-profit corporation duly organized, validly existing, and in good standing under the laws of the Commonwealth of Pennsylvania;
- (b) **Discovery Multiple Intelligences Preschool**, maintains their principal office at 1301 Beech Street, Scranton, PA 18505 and all books and records of the business pertaining to their financial condition and their operation are kept at such address;
- (c) the borrowers have the power and authority to own its assets and to carry on the activities contemplated by the Application;
- (d) the borrowers hold all franchises, licenses, permits and other authorizations of any nature and kind required for the ownership of its assets and the operation of its business, all of which are now in full force and effect;
- (e) the execution and delivery of this Loan Agreement, and the other Loan Documents to which it is a party, and compliance with their respective covenants, terms and conditions, will not violate any provisions of **Discovery Multiple Intelligences Preschool**, limited operating agreement or books or any statute or regulation order, writ, injunction, decree, decision of any court or governmental agency binding upon it or conflict with or result in a breach of any

of the covenants, terms and conditions of any agreement or instrument to which the borrowers are a party or by which it is bound or to which it is subject, or constitute a default there under, a result in the creation or imposition of a lien, charge or encumbrance of any nature or kind upon any of the assets of the borrowers pursuant to the terms of any such agreement, instrument or otherwise;

- (f) the execution and delivery of this Loan Agreement, and the other Loan Documents to which it is a party, and compliance with all the covenants, terms and conditions thereof, has been duly authorized by proper action of the owners in conformity with its certificate of incorporation and bylaws and, when duly executed and delivered by the appropriate officers of the entity, will constitute valid and binding obligations of the entity enforceable in accordance with their respective terms if required, as well as individually and in partnership;
- (g) the execution and delivery of this Loan Agreement, and the other Loan Documents to which it is a party, and compliance with their respective covenants, terms and conditions, will not violate any statute or regulation, or any order, decree, or decision of any court or governmental agency binding upon borrowers or conflict with or result in the breach of any of the covenants, terms, and conditions of any agreement or instrument to which the borrowers are a party or by which it is bound or to which it is subject, or constitute a default hereunder, or result in the creation of a lien, charge or encumbrance of any nature or kind upon any of the borrowers' assets pursuant to the terms of any such agreement or instrument;
- (h) the execution and delivery of this Loan Agreement, and the other Loan Documents to which it is a party, and compliance with all of the covenants, terms, and conditions thereof, will constitute valid and binding obligations of the borrowers, enforceable in accordance with their respective terms;
- (i) the borrowers have filed, and shall, as required, file in a timely manner, all federal, state and local tax returns and has paid, or shall pay, all taxes shown to be due thereon;
- (j) there is no material litigation or governmental proceeding pending or (to the knowledge of the borrowers) threatened against or affecting the borrowers or any of its assets of the operation of its business, which, if adversely determined, would have a material adverse effect on the financial condition of the borrowers;

- (k) the borrowers will not dispose of any hazardous waste at the Borrowers place of business and will not knowingly violate any environmental statutes, regulation or other restrictions;
- (l) there is no material fact that the borrowers has not disclosed to the City which could have a material adverse effect on the Borrowers place of business or the prospects or condition (financial or otherwise) of the Borrowers. No Certificate or statement delivered herewith or heretofore by the borrowers in connection with this Loan Agreement or the Application contains any untrue statement of material fact or omits to state any material facts necessary to keep the statements contained herein or therein from being misleading.
- (m) Books, Records, and Reports. The borrowers will at all times keep proper books of account in a manner satisfactory to the City and subject to accepted accounting practices. Borrower hereby authorizes City to make or cause to be made, at borrowers' expense and in such manner and at such times as City may require,
- (n) inspections and audits of any books, records and papers in the custody or control of borrowers or others, relating to borrowers' financial or business conditions, including the making of copies thereof and extracts there from, and (b) inspections and appraisals of any of borrowers' assets. Borrowers will furnish to City for the twelve (12) month period and semi-annually thereafter, financial and operating statements. Borrowers hereby authorizes all Federal, State and Municipal authorities to furnish reports of examinations, records, and other information relating to the conditions and affairs of borrowers and any desired information from reports, returns, files, and records of such authorities upon request therefore by City.
- (o) Borrowers shall not execute any contracts for management consulting services without prior approval of City.
- (p) Distributions and Compensation. Borrowers will not, without the prior written consent of City (a) declare or pay any dividend or make any distribution upon its capital stock, or purchase or retire any of its capital stock, or consolidate, or merge with any other company, or give any preferential treatment, make any advance, directly or indirectly, by way of loan, gift, bonus, or otherwise, or any company directly or indirectly controlling or affiliated with or controlled by borrowers, or any other company, or to any officer,

director or employee of borrowers or any such company (b) make any distribution of assets of the business of borrowers, other than reasonable compensation for services, or give any preferential treatment, make any advance, directly or indirectly, by way of loan, gift, bonus, or otherwise, to any of its employees, or to any company directly or indirectly controlling or affiliated with or controlled by borrowers, or any other company.

(q) Other Provisions:

- (1) Prior to disbursement City must have evidence that borrower is current on all Taxes and that a Repository Plan for the payment of future withholding taxes has been established.
- (2) Borrowers will not, without prior written consent of City, purchase any additional life insurance from the business income or assets.
- (3) City must agree that, in the event of a default by the borrowers, it will, if allowed by law, execute any right of set-off available to it.
- (4) Prior to disbursement, borrowers must provide to City a list of all fixtures and equipment now owned or to be purchased by Item, Model # and Serial #, as well as a general description of Fixtures and Equipment and number, by category, if required
- (5) Prior to the first disbursement, borrowers is to submit certification that it is currently and will remain in compliance with all environmental laws, rules and regulations concerning all phases and aspects of the operations of the business. Any subsequent failure to comply with said applicable environmental laws, rules and regulations will result in a default of the loan.

- (r) Change of Ownership: Borrowers must agree that this loan may be accelerated and payments called for by Holder if the borrowers, during the term of the loan, effects a change of ownership or control of the business without prior written approval of City.

The borrowers shall deliver to the City at Closing, an opinion of its counsel, in form acceptable to the City, as to good standing, authorization, incumbency of officers, the validity and enforceability of all documents, compliance with applicable laws and regulations, litigations, and, except as previously disclosed herein, compliance with all existing agreements and such other matters as the City may reasonably require.

9. Event of Default. An event of default under this Loan Agreement shall be deemed to have occurred if borrowers shall:

- (a) fail to pay any installment of interest or principal on the note when due or within five (5) days after receipt of written notice of the failure to pay;
- (b) fail to pay any other sum required to be paid under the Note or this Loan Agreement within five (5) days of borrowers' receipt of notice from the City of such failure;
- (c) fail to keep, perform and comply with any of the other covenants, terms and conditions of this Loan Agreement within thirty (30) days of notice from the City, provided, however, if compliance cannot be performed within thirty (30) days, borrowers shall be permitted additional time to comply as agreed upon between the parties, so long as borrowers commences compliance and pursues it vigorously within the initial thirty (30) day period;
- (d) fail to pay any installment of interest or principal due on the **\$70,000.00** loan from the City's Keystone Communities Enterprise Zone Program Fund; or
- (e) become insolvent or file or be named in any petition for relief under the Bankruptcy Code or Make any assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of any of the borrowers' properties and assets or apply for a consent to or suffer the appointment of a receiver or trustee.

10. Remedies. If an event of default as defined in Section 9 of this Loan Agreement shall occur, the City shall be entitled, upon ten (10) days prior written notice to borrowers, to declare the Loan immediately due and payable and to demand payment of the Note without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, and thereupon the City shall be entitled to exercise separately or concurrently all rights and remedies under the Note or this Loan Agreement or otherwise available to the City at law or in equity to enforce collection of the Loan. The foregoing rights and remedies of the City are cumulative and not exclusive of any rights and remedies which the City might otherwise have at law or in equity or by virtue of any statute or rule of procedure.

11. Allowable Costs. Borrowers recognizes that City is obligated to examine all costs claimed by borrowers relating to the Project for the purpose of cost recovery to effectuate the long term goals of the Keystone Communities

Enterprise Zone Program Funds. Without limiting the general applicability of the foregoing, borrowers are notified that the following cost items, except as they may relate to allowable costs specifically contained in this Loan Agreement or the Application, generally shall not be considered eligible expenses:

- (a) Costs incurred prior to the notices of award of the grant by City;
- (b) Costs paid out prior to the execution of this Loan Agreement;
- (c) Interim interest paid on funds borrowed by borrowers in anticipation of disbursement of City's loans or other Project funds;  
or
- (d) The compensation of consultants and professional service providers.

12. Audit. Borrowers agree to participate actively if requested, and without compensation, in City's audits of the project and further agrees to fully and faithfully cooperate with the City in meeting any and all requirements of the Federal Government as per Paragraph twelve.

13. No Liability for Failure to Complete. Borrowers agree to include in all contracts with any party involving the use of Loan Funds an acknowledgment that City shall not be liable to any party for completion of, or the failure to complete, any activities which are part of the Project.

13A. The regulations for the DCED Program contained the laws of the Commonwealth of Pennsylvania.

13B. All requirements imposed by the City, DCED and any other Statutory or regulatory requirement in law or in equity as well as contractual, mortgage, note or otherwise.

14. (a) Court Expenses. Borrowers agree to pay reasonable attorney's fees, court costs and disbursements ordered by the court in the event City takes successful legal action to enforce City's rights under this Loan Agreement.

(b) Reimbursable Expenses. Borrower will, on demand, reimburse the City for any and all costs, fees and expenses including but not limited to underwriter's discounts, fiscal agency fees, and all other fees, expenses and costs of issuance which are incurred or which may be hereafter incurred by the City from time to time in connection with or by reason of borrowers' application for the making of and the administration of borrowers permanent financing stages of the Loan.

15. Recording Costs. Borrowers agree to pay all recording cost and filing fees related to the Loan, if any.

16. Hold Harmless Agreement. Borrowers will indemnify and defend City and hold it harmless from any claim against it involving or in any way arising out of its involvement with this Project, unless involving or in any way arising out of the willful misconduct of City, its agents or employees. In particular, but without limiting the general application of the foregoing, and pursuant to Section 13(b) above, borrowers will, within thirty (30) days of City's demand, pay any penalty or recapture levied upon City which originates in borrowers' failure to fulfill, or document the fulfillment of, its commitments stated in this Loan Agreement or the Application; provided, the aggregate amount paid to City pursuant to this Section 19 and Section 13 shall in no way exceed the original amount of the Loan plus any due or accrued and unpaid interest and any penalties which may or may not be assessed.

17. Exercise of Rights. No delay or failure of the City in exercising any right or remedy under this Loan Agreement shall be deemed a waiver of such right or remedy or affect or impair the future exercise of such right or remedy and no modification or waiver by the City of any covenant or condition of this Loan Agreement or waiver by the City of any default hereunder shall be effective for any purpose unless contained in writing signed by the City and then only to the extent specifically set forth in such writing.

18. Notices and Demands. All notices or demands required by the provisions of this Loan Agreement shall be in writing, and shall be effective upon delivery, if personally delivered, one (1) business day after sending by Federal Express or other recognized overnight delivery service, or three (3) business days after the date of mailing by United States Certified Mail, with postage prepaid, addressed to the party to receive notice or demand at the address stated in the introductory portion of this Loan Agreement, or at such other address as such party shall from time to time direct by written notice given to the other party in like manner.

19. Consent to Jurisdiction. The borrowers irrevocably consents to the exclusive jurisdiction of the Court of Common Pleas of Lackawanna County, Pennsylvania or the United States District Court for the Middle District of Pennsylvania in any and all actions and proceedings whether arising hereunder or under any other agreement or undertaking, and irrevocably agrees to service of process by Certified Mail, Return Receipt Requested to the address of the borrowers set forth herein. The borrowers hereby waives and shall not interpose any objections of forum non conveniens, or to venue and waives any right to remove any proceeding commenced in a state court to a federal court, and consent to any and all relief ordered by such court.

20. Severability. The invalidity of any one or more sections of this Loan Agreement or any portion thereof shall not be deemed to affect or impair the validity and enforceability of the remainder.

21. Assignment: Binding Effect. All covenants, terms and provisions of this Loan Agreement shall inure to the benefit of and extend to and bind the successors and assigns of the City, provided that the borrowers shall not have the right to assign this Loan Agreement or any rights hereunder to any other person or entity, unless the borrowers' business and property is sold to a purchaser acceptable to the City.

22. Entire Agreement. It is understood and agreed by the parties hereto that this Loan Agreement shall constitute the only agreement between them relative to this Loan, and that no oral statement or no prior written matter extrinsic to this instrument shall have any force or effect. This Loan Agreement shall not be modified except by writing, subscribed by both parties.

23. Honorable Agreement. This is an honorable Agreement intended to achieve the recited purposes. This Agreement is to be constructed and applied liberally to achieve those purposes and is not to be defeated by resorting to technical defenses or objections to price computation or any other matter affecting its operation.

24. Waiver of Breach. The waiver by the City of a breach of any provision of this Agreement by the borrowers shall not operate nor be construed as a waiver of any subsequent breach by the borrowers.

25. Counterparts. This agreement may be executed in Six (6) or more counterparts, each of which shall be deemed an original and together constitute one and the same agreement.

26. Survivorship Clause. Borrowers and City acknowledge and agree certain obligations imposed upon them pursuant to the terms of this Loan Agreement, may survive the termination of this Agreement and be legally binding upon the parties hereto subsequent to the termination of this Agreement.

27. Interpretation. This Loan Agreement shall constitute a contract under the laws of the Commonwealth of Pennsylvania and shall for all purposes be construed in accordance with such laws. The headings of Sections in this Loan Agreement are for convenience of reference only, and shall not enlarge or restrict the rights of the parties hereto.

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

City:  
CITY OF SCRANTON

COUNTERSIGNED

BY: \_\_\_\_\_ BY: \_\_\_\_\_  
City Controller Mayor

DATE: \_\_\_\_\_ DATE: \_\_\_\_\_

BY: \_\_\_\_\_ BY: \_\_\_\_\_  
Executive Director OECD City Clerk, attest to Mayor's signature  
Office of Economic and  
Community Development DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
City Solicitor

DATE: \_\_\_\_\_

Borrowers:  
**Discovery Multiple Intelligences  
Preschool,**

ATTEST:

\_\_\_\_\_  
Witness  
Secretary  
Dr. Michelle Dudley

\_\_\_\_\_  
President,  
Stacy Nivert,  
DATE: \_\_\_\_\_

\_\_\_\_\_  
Vice-President,  
Dr. Meghan Feliciani  
DATE: \_\_\_\_\_

**Attachment “A”**  
**Job Creation Requirements**



Attachment A

**Business & Industry Loan/Grant Program**

**BORROWER:** Discovery Multiple Intelligences Preschool

Following is a summary of new, permanent jobs to be created as a result of the EZ funding assistance provided through this loan program:

Job Title	40 hr/wk Status		This job to be created as a absolute	Job to be made available to low/mod persons as a absolute	Does this job require special skills or education?
	FT (number of positions)	PT (total hours per week)			
Teacher	1	0	created	yes	yes
Cook		20	created	yes	yes
Janitor		20	created	yes	no

FT JOBS	1
PT JOBS AS FTE	1
<b>TOTAL JOBS</b>	<b>2</b>

The jobs will be created within 6 months following the disbursement of loan funds

You should complete a Family Income Certification form (sample attached) each time you fill a newly-created, permanent position. Employees should provide information about their family's gross annual income prior to being hired by you, so that you can maintain documentation about which of these positions are held by low/mod persons. You will be required to submit copies of these forms to OECD on a quarterly basis until the job creation requirement has been met; as stated in the terms of your loan agreement.

This activity has been processed & maintained by: Tom Preambo, OECD Deputy Director

**PROMISSORY NOTE**

\$70,000.00

Scranton, Pennsylvania  
\_\_\_\_\_, 2018

FOR VALUE RECEIVED, and intending to be legally bound, the undersigned, Discovery Multiple Intelligences Preschool, (hereinafter called the "Maker"), a Pennsylvania corporation with a principal place of business located at 1301 Beech Street, Scranton, PA 18505, hereby promises to pay to the order of THE CITY OF SCRANTON (hereinafter called the "Holder"), a municipal corporation organized and existing under the laws of the Commonwealth of Pennsylvania with offices at 340 North Washington Avenue, Scranton, Pennsylvania 18503, or its assignees, the sum of **Seventy Thousand Dollars (\$70,000.00)**, (the "Loan") payable together with interest thereon at the fixed rate of two and one half percent (2.5%) per annum as follows:

- (1) Interest shall not accrue from \_\_\_\_\_, 2018 through \_\_\_\_\_, 2018. In the event Maker satisfies all of the conditions of Section 4 of the Loan to Grant Agreement between Maker and Holder of even date herewith then Maker's obligations hereunder shall cease and Maker shall not have any further obligations to repay the Loan to Holder.
- (2) Payments by Maker to Holder shall commence on the \_\_\_\_\_ day of \_\_\_\_\_, 2018, and on the \_\_\_\_\_ day of each and every month thereafter to and including the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ and shall be in monthly installments of principal and interest in the amount of **Six Hundred and Fifty Nine Dollars and Eighty Nine Cents (\$659.89)**.
- (3) Upon the expiration of **One Hundred Twenty Six (126)** months after the date hereof, the then unpaid balance of principal, interest, and charges collectible under the terms hereof shall be immediately due and payable.
- (4) This Note evidences a loan (the "Loan") in the above amount made by the Holder to the Maker on this date, the proceeds of which will be advanced by the Holder to the Maker in the manner provided in a Loan to Grant Agreement (the "Loan Agreement") of this date between the Holder and the Maker for the purposes therein specified. Payment of this Note is secured by a security agreement (the "Security Agreement") of this date from the Maker to the Holder, and by, other security described in the Loan Agreement.
- (5) The Maker hereby agrees to keep, perform, and comply with all covenants, terms, and conditions of this Note, the Loan Agreement, the Security Agreement, and all of the documents and instruments now and at any time hereafter delivered to and held by the Holder to evidence and secure the Loan (herein collectively called the "Loan Documents"), which are incorporated by reference in and made a part of this Note.

(6) This Note shall also evidence all advances and expenditures that the Holder is authorized and permitted to make under the provisions of the Loan Documents, and all other sums of every nature and kind that at any time hereafter become due and owing by the Maker to the Holder under the Loan Documents, which shall be added to and become part of the principal amount evidenced by this Note and paid to the Holder, with interest, on the due date of the next installment, if not sooner due and payable under the provisions of the Loan Documents.

(7) Payments of principal on this Note shall be made in current funds on the day when due, without presentment, demand, protest, or notice of any kind, all of which are hereby waived. Payment shall be made at the office of the Holder herein designated or at such other place as the Holder may from time to time designate by written notice to the Maker, and shall be made in lawful money of the United States of America without set-off, counterclaim, or other deduction of any nature.

(8) The Holder shall have the right to impose a service charge equivalent to ten percent (10%) of the amount of any installment of principal not received within fifteen (15) days after the date the same becomes due, which shall be added to the principal balance and paid to the Holder on the due date of the next installment.

(9) EVENT OF DEFAULT. An event of default under this Promissory Note shall be deemed to have occurred if the Borrower shall:

a) fail to pay any installment of interest or principal on the Note within ten (10) days after notice from the CITY to the Borrower that any such installment is more than five (5) days late;

b) fail to pay any other sum required to be paid under the Note or this Loan Agreement within ten (10) days of the Borrower's receipt of notice from the CITY of such failure; or

c.) fail to strictly and timely comply with all the job creation requirements described in Section 4 of the Loan to Grant Agreement of even date herewith; or

d) fail to keep, perform and comply with any of the other covenants, terms and conditions of the Loan to Grant Agreement within thirty (30) days of notice from the CITY, provided, however, if compliance cannot be performed within thirty (30) days, the Borrower shall be permitted additional time to comply so long as the Borrower commences compliance and pursues it vigorously within the initial thirty (30) day period; or

e) become insolvent or files or is named in any petition for relief under the Bankruptcy Code or makes any assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of any of the Borrower's properties and assets or applies for or consents to or suffers the appointment of a receiver or trustee; or

f) close its business for a period of two consecutive weeks or longer.

(10) REMEDIES. If an event of default as defined in Section 9 hereof shall occur, the CITY shall be entitled, upon twenty (20) days prior written notice to the Borrower, to declare the Loan immediately due and payable and to demand payment of the Note without presentment, demand or protest of any kind, all of which are hereby expressly waived, and thereupon the CITY shall be entitled to exercise separately or concurrently all rights and remedies under the Note or this Loan Agreement or otherwise available to the CITY at law or in equity to enforce collection of the Loan. The foregoing rights and remedies of the CITY are cumulative and not exclusive of any rights and remedies, which the CITY might otherwise have at law or in equity or by virtue of any statute or rule of procedure.

**(11) Confession of Judgment. This Promissory Note contains a warrant of attorney authorizing any Prothonotary, Clerk of Court, attorney of any court of record and/or the Holder (as well as someone acting for holder) to appear for, and confess judgment(s) against Maker, without any prior notice or an opportunity to be heard. Subparagraph (a) below also permits Holder to execute upon the confessed judgment(s) which could have the effect of depriving Maker of its property without any prior notice or an opportunity to be heard. Maker hereby acknowledges that it has consulted with an attorney regarding the implications of these provisions and Maker understands that it is bargaining away several important legal rights. Accordingly, Maker hereby knowingly, intentionally, voluntarily and unconditionally waives any and all rights that it may have under the constitution and/or laws of the United States of America and the Commonwealth of Pennsylvania to prior notice and/or an opportunity for hearing with respect to both the entry of such confessed judgment(s) and any subsequent attachment, levy or execution thereon.**

(a) CONFESSION OF JUDGMENT. MAKER COVENANTS AND AGREES THAT UPON THE OCCURRENCE OF AN EVENT OF DEFAULT BY MAKER, HOLDER MAY, WITHOUT LIMITATION, CAUSE JUDGMENTS FOR MONEY TO BE ENTERED AGAINST MAKER AND, FOR THOSE PURPOSES, MAKER HEREBY GRANTS THE FOLLOWING WARRANT OF ATTORNEY: (I) MAKER HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS ANY PROTHONOTARY, CLERK OF COURT, ATTORNEY OF ANY COURT OF RECORD AND/OR HOLDER (AS WELL AS SOMEONE ACTING FOR HOLDER) IN ANY AND ALL ACTIONS COMMENCED AGAINST MAKER FOR RECOVERY OF THE PRINCIPAL AND INTEREST AND/OR OTHER AMOUNTS TO BE PAID TO HOLDER BY MAKER AND TO APPEAR FOR MAKER, AND ASSESS DAMAGES AND CONFESS OR OTHERWISE ENTER JUDGMENT AGAINST MAKER, FOR PRINCIPAL AND INTEREST AND/OR OTHER AMOUNTS TO BE PAID TO HOLDER BY MAKER, TOGETHER WITH INTEREST AT THE DEFAULT RATE, COSTS AND AN ATTORNEYS' COMMISSION EQUAL TO THE GREATER OF \$5,000 OR FIFTEEN PERCENT (15%) OF THE FULL AMOUNT OF SUCH AMOUNTS AND SUMS; AND THEREUPON WRITS OF EXECUTION MAY FORTHWITH ISSUE AND BE SERVED, WITHOUT ANY PRIOR NOTICE, WRIT OR PROCEEDING WHATSOEVER; AND (II) THE WARRANT OF ATTORNEY HEREIN GRANTED SHALL NOT BE EXHAUSTED BY ONE OR MORE EXERCISES THEREOF BUT SUCCESSIVE ACTIONS MAY BE COMMENCED AND SUCCESSIVE JUDGMENTS MAY BE CONFESSED OR OTHERWISE ENTERED AGAINST MAKER FROM TIME TO TIME AS OFTEN AS ANY AMOUNTS AND SUMS SHALL FALL OR BE DUE OR PAYABLE, AND THIS WARRANT OF ATTORNEY MAY BE EXERCISED AFTER THE TERMINATION OR EXPIRATION OF THE LOAN TERM AND/OR DURING OR AFTER ANY EXTENSIONS OF THE LOAN TERM OR RENEWALS THEREOF.

\_\_\_\_\_  
BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

(12) The Maker hereby waives the benefit of any present or future law or rule of procedure authorizing stay of execution on any judgment recovered on this Note, and the exemption of property from levy and sale there under, and any and all errors, defects, and imperfections whatsoever of a procedural nature in the entry of any judgment or in any process or proceedings thereon or relating to the same.

(13) Upon any negotiation, sale or assignment of this Note, the holder hereof may deliver same to the transferee or purchaser who shall thereupon become the holder hereunder and as such shall have and may exercise all powers, rights and options with respect to same and otherwise hereby given to the holder, or otherwise available to Holder pursuant to the terms and conditions

of the Loan Agreement, and such former holder who thus negotiates, sells or assigns this note shall thereafter be forever relieved and fully discharged from any liability or accountability with respect to same.

(14) If any provision hereof shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not effect any other provision hereof, but this Note shall be construed as if such invalid or unenforceable provision had never been contained herein. This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

(15) All of the foregoing agreements and obligations including, without limitation, the warrant of attorney to confess judgment, shall bind the Maker and its successors and assigns, and shall inure to the benefit of the Holder, its successors and assigns.

In Witness Whereof, the Maker has duly caused this Note to be duly executed by its duly authorized representative, the day and year first above written, intending to be legally bound.

Attest:

Discovery Multiple Intelligences Preschool

\_\_\_\_\_  
Secretary  
Dr. Michelle Dudley, Ph.D

By: \_\_\_\_\_  
Board President,  
Stacy Nivert

Date: \_\_\_\_\_

**SECURITY AGREEMENT**

**THIS SECURITY AGREEMENT** (hereinafter referred to as the "AGREEMENT") dated the \_\_\_\_\_ day of \_\_\_\_\_, 2018, by and between THE CITY OF SCRANTON, a municipal corporation organized and existing under the laws of the Commonwealth of Pennsylvania with offices at 340 N. Washington Avenue, Scranton, Pennsylvania 18503, (hereinafter referred to as the "CITY")

-and-

DISCOVERY MULTIPLE INTELLIGENCES PRESCHOOL, a Pennsylvania non-profit corporation with a principal place of business located at 1301 Beech Street, Scranton, PA 18505 (hereinafter referred to as "BORROWER")

**WHEREAS**, BORROWER has certain Liabilities (as defined herein) to CITY under a certain Loan to Grant Agreement dated even date herewith; and,

**WHEREAS**, the CITY and BORROWER desire and intend to secure repayment of said Liabilities by BORROWER granting to CITY a security interest in the Collateral (as defined herein); and,

**NOW, THEREFORE**, the Borrower hereto, intending to be legally bound hereby, agrees as follows:

1. **COLLATERAL** The word "Collateral" as used in this AGREEMENT means the following described property: all real estate, machinery and equipment of the BORROWER, whether now or hereafter existing, or now owned or hereafter acquired and the products and proceeds of any of the foregoing, including all proceeds, and all accessions thereto, direct or contingent.

In addition, the word "Collateral" also includes all of the following; whether now owned or hereafter acquired by BORROWER, whether now existing or hereafter arising, and wherever located;

(a) All accessions, attachments, accessories, tools, parts, supplies, replacements of and additions to any of the Collateral described herein, whether added now or later.

(b) All products and produce of any property described in this Collateral section.

(c) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.

2. **GRANT OF SECURITY INTEREST** In consideration of, and as security for, the Liabilities of BORROWER to CITY described below, BORROWER grants CITY a Second priority security interest in all the Collateral, together with all present and future products of Collateral and all present and future proceeds of Collateral (including but not limited to all leases, rents, issues, profits, credits, rebates, refunds, increases, replacements of and additions and accessions to the Collateral and all cash and non-cash insurance proceeds). This right to proceeds does not, and shall not be interpreted to constitute authorization or consent by CITY to any disposition of any Collateral. This AGREEMENT and the security interest granted herein shall stand as general and continuing security for all Liabilities and may be retained by CITY until all Liabilities have been satisfied in full; provided, however, that this AGREEMENT shall not be rendered void by the fact that no Liabilities or commitment by CITY to make advances to BORROWER exists as of any particular date, but shall continue in full force and effect until the filing of a termination statement signed by CITY with respect to all the Collateral.

As additional security for the Liabilities, BORROWER conveys, assigns and grants a security interest to CITY in and to all present and future files, books, ledgers, records, bills, invoices, receipts, deeds, certificates or documents of ownership, warranties, bills of sale and all other data and data storage systems and media pertaining to any of the Collateral.

3. **LIABILITIES** The Collateral secures, and will secure, all Liabilities of BORROWER to CITY. Liabilities as used herein shall mean and include any past, present or future loans, notes, mortgages, bonds, advances, re-advances, substitutions, extensions, renewals, interest, late charges, penalties, costs, and fees of any and all types, whether primary, secondary, absolute or contingent, direct or indirect, joint several or independent, voluntary or involuntary, (including overdrafts), now or hereafter existing, due or to become due, or held or to be held by, CITY for its own account or as agent for another or others, whether created directly or acquired by negotiation, assignment or otherwise, and all instruments and documents evidencing any of the above and shall also include but not be limited to that certain Promissory Note, dated the \_\_\_\_\_ day of \_\_\_\_\_, 2018, in the amount of **Seventy Thousand Dollars (\$70,000.00)** given by BORROWER to CITY.

4. **FUTURE ADVANCES** The Liabilities secured hereby include all future advances made at any time or times to or for the benefit of BORROWER, whether obligatory or optional, including all costs, expenses, court costs and reasonable attorneys' fees incurred in the collection of the Liabilities and/or the Collateral or the disposition of the Collateral, and any advances made at any time or times for the payment of taxes or insurance or the maintenance or repair of the Collateral, or for the establishment, maintenance or enforcement of CITY'S security interest therein.

5. **ADDITIONAL SECURITY** As additional Collateral to secure the Liabilities, BORROWER grants to CITY a Second priority security interest in all of BORROWER'S present and future deposits or other monies due from CITY, instruments, documents, policies and certificates of insurance, securities, goods, accounts receivable, chooses in action, chattel paper, currency, property and the proceeds thereof, owned by BORROWER or in which BORROWER has an interest, now or hereafter in the possession or control of CITY or in transit by mail or carrier to or from CITY or in the possession of any other person acting in CITY'S behalf, without regard to whether CITY received the same in pledge, for safekeeping, as agent for collection or transmission or otherwise, or whether CITY has conditionally released the same. The property described in this Paragraph 5 shall constitute part of the Collateral for all purposes under this AGREEMENT.

6. **OWNERSHIP; OTHER LIENS** BORROWER represents and warrants that BORROWER is or, as to Collateral to be acquired after the date hereof will be, the sole owner of the Collateral, and that this AGREEMENT creates a valid second priority lien in and to all Collateral and that there are no liens and there will be no other liens, security interests, encumbrances or adverse claims by any person to any of the Collateral except as previously disclosed in writing and acknowledged by CITY. BORROWER covenants and agrees to keep the Collateral free from, defend it against, discharge and immediately notify CITY in writing of, any and all other liens, security interests or encumbrances, prior assignments, claims, set-offs or demands of all persons at any time claiming any Collateral or any interest therein.

7. **PURCHASE MONEY LOAN** BORROWER covenants and agrees that any Liabilities created for the purpose of enabling BORROWER to acquire rights in or use of any Collateral will be used solely for such purpose and for no other purpose, and authorizes CITY to disburse the proceeds of such purchase money loan directly to the seller.

8. **LOCATION, USE OF COLLATERAL** BORROWER  
represents and warrants that:

(a) Collateral is being and will be kept at BORROWER'S business address set forth in this AGREEMENT, and covenants and agrees not to remove the Collateral therefrom without CITY'S prior written consent.

(b) Collateral is being used and will be used exclusively for the purpose(s) indicated in this AGREEMENT and covenants and agrees not to change such use without CITY'S prior written consent.

9. **BORROWER'S IDENTITY, ADDRESS(ES)** BORROWER  
represents and warrants that its official name is accurately and completely set forth in this AGREEMENT and covenants and agrees that it will not change its name or its status indicated herein without CITY'S prior written consent.

BORROWER represents and warrants that the address set forth in this AGREEMENT is its principal business address, if BORROWER is engaged in business and covenants and agrees that it will not change such address or the other locations set forth herein or acquire additional addresses, without at least thirty (30) days' prior written notice to CITY setting forth the effective date of such change and such new address.

10. **MAINTENANCE, INSURANCE OF COLLATERAL**  
BORROWER, at its own expense, covenants and agrees to:

(a) properly maintain and care for the Collateral and protect and care for all Collateral covered by this AGREEMENT, all in accordance with the highest standards customary for businesses similar to BORROWER'S if BORROWER uses the Collateral in business operations;

(b) maintain such insurance covering the Collateral against fire, theft, vandalism and such other risks or hazards as CITY may require in such amounts and with such insurance companies as are satisfactory to CITY, which insurance shall protect CITY'S interest in the Collateral as secured lender under separate endorsement or clause not subject to any defenses which such insurance company may have against BORROWER;

(c) deliver to CITY, on demand, the contract(s) of insurance or furnish other proof of such insurance to CITY; and

(d) comply fully with, and refrain from any use of the Collateral in violation of, any requirements of any insurer of the collateral.

In the event of any loss, CITY, at its option, may (i) retain and apply all or any part of the insurance proceeds to reduce, in such order and amounts as CITY may elect, the unpaid balance of the Liabilities, or (ii) disburse all or any part of such insurance proceeds to or for the benefit of BORROWER for the purpose of repairing or replacing the Collateral after receiving proof satisfactory to CITY of such repair or replacement, in either case without waiving or impairing the Liabilities of any other provision of this AGREEMENT. BORROWER assigns to CITY any return or unearned premiums which may be due upon cancellation of any such policies for any reason whatsoever and directs the insurers to pay to CITY any amounts so due, and BORROWER appoints CITY its attorney-in-fact to endorse any draft or check which may be payable to BORROWER in order to collect any return or unearned premiums or the proceeds of such insurance.

11. **TAXES; COMPLIANCE** BORROWER covenants and agrees to pay, on or before the due date thereof, all federal, state and local taxes, assessments and other governmental charges of every nature which may be levied or assessed against the Collateral, and to comply fully with, and refrain from any use of the Collateral in violation of, any applicable statutes, regulations or ordinances.

12. **RIGHT TO REMEDY CERTAIN DEFAULTS** In the event BORROWER fails to maintain the Collateral, or pay any federal, state or local taxes, assessments or other governmental charges or claims, or fails to maintain insurance on the Collateral and pay all premiums for such insurance, or fails to make any necessary repairs or permits waste, CITY, at its election and without notice or demand to BORROWER, shall have the right, but not the obligation, to make any payment or expenditure with the right of subrogation thereunder, including but not limited to purchasing any lender's single interest to protect its security interest in the Collateral or its rights under this AGREEMENT, and may appear in any action or proceeding with respect to any of the foregoing and retain counsel therein, without prejudice to any of CITY'S rights or remedies available under this AGREEMENT or otherwise, at law or in equity. All such sums, as well as costs, advanced by CITY pursuant to this AGREEMENT, shall be secured by this AGREEMENT, and shall bear interest at the highest rate payable on any of the Liabilities from the date of payment by CITY until paid in full.

13. **DISPOSITION: PROCEEDS** Except as, and only to the extent expressly permitted in this Paragraph 13 or in Paragraph 15, BORROWER will not sell, assign, lease or otherwise dispose of, attempt or contract to sell, assign, lease or otherwise dispose of, any Collateral or any interest, right or privilege therein.

BORROWER covenants and agrees to deliver immediately to CITY, or such other person as CITY may designate, any instrument, document, or chattel paper arising out of or in connection with any Collateral. BORROWER further covenants and agrees not to use cash proceeds to purchase or otherwise acquire any interest whatsoever in any property not covered by this AGREEMENT without CITY'S prior written consent.

14. **NOTIFICATION OF ADVERSE EVENTS** BORROWER immediately will notify CITY in writing of any occurrence, event, circumstance or condition which affects or will affect the Collateral or the value thereof, BORROWER'S or CITY'S ability to dispose of the Collateral or CITY'S rights or remedies with regard thereto, including but not limited to the issuance or levy of any legal process against the Collateral or the adoption of any order, arrangement or procedure affecting the Collateral, whether governmental or otherwise.

BORROWER waives and releases all laws and rules of procedure now in force or hereafter enacted, relating to exemption from, or stay of execution and/or sale, and the opening and/or striking off any judgment. In the event BORROWER shall make application for or seek relief or protection under any of the sections or chapters of the United States Bankruptcy Code (hereinafter referred to as the "Code"), or in the event that any involuntary petition is filed against BORROWER under any section or chapter of the Code, CITY shall thereupon be entitled to immediate relief from any automatic stay imposed by Section 362 of the Code (or any successor provision) or otherwise on or against the exercise of the rights and remedies otherwise available to CITY as provided herein or as otherwise provided by law or equity. BORROWER agrees not to contest the validity or enforceability of this Section 14.

15. **CITY'S RIGHTS**

(a) BORROWER covenants and agrees that CITY may, at its option and at BORROWER'S expense, at any time and from time to time whether or not a Default has occurred:

(1) require BORROWER to segregate all cash proceeds so that they may be identified readily, and deliver the same to CITY at such time or times and in such manner and form as CITY may direct;

(2) require BORROWER to deliver to CITY, at such time or times and in such manner and form as CITY may direct, records, schedules and other documentation and data sufficient to show the

status, condition, value or location of, or any other information pertaining to, the Collateral;

(3) verify the Collateral, inspect BORROWER'S books and records and make copies thereof or extracts therefrom, and require BORROWER to furnish such witnesses as may be necessary to establish legal proof of the Collateral or such records;

(4) require, as a condition to its consent to any disposition of Collateral requiring CITY'S consent, that BORROWER pay or deliver or cause to be paid or delivered directly to CITY, or such other person as CITY may designate, the proceeds of such disposition, agree to increase the rate of interest payable in respect of any of the Liabilities, or comply with any other requirement of CITY;

(5) notify debtors or obligors of any Accounts or Chattel Paper, or any buyers or lessees of any of the Collateral or any other persons, of CITY'S interest in the Collateral and require such persons to deliver all proceeds to CITY or such other person as CITY may designate, at such time or times and in such manner and form as CITY may direct; and in connection therewith BORROWER irrevocably authorizes and appoints CITY its attorney-in-fact, with full power of substitution, to endorse or sign BORROWER'S name on all collections, checks, notes, drafts, receipts or other instruments or documents, take possession of and open the BORROWER'S mail and remove proceeds therefrom, and such account debtors, Obligors, buyers or lessees may accept the receipt of CITY in such circumstances as a full release and acquittance for any amount so paid;

(6) at reasonable times enter upon any property where any Collateral is located to examine the Collateral, such property and any buildings or improvements thereon, and use BORROWER'S equipment, machinery, office equipment and other facilities if CITY deems such use necessary or advisable to protect, preserve, maintain, process, develop or harvest any of the Collateral;

(7) prohibit BORROWER from attaching any Collateral to any land or building or other improvement thereon in any manner which might cause such Collateral to become a part thereof, and/or require BORROWER to obtain from any owner, encumbrancer or other person having an interest in the property where any Collateral is located, written consent to CITY'S removal of the Collateral therefrom, without liability on the part of CITY to such owner, encumbrancer or other person, or require BORROWER to obtain from any such owner, encumbrancer or other person such waivers of any interest in the Collateral as CITY may require;

(8) place or require BORROWER to place on any instrument, document or Chattel Paper, or upon BORROWER'S books, records, documents or other data relating to accounts or general intangibles, a notation or legend indicating CITY'S security interest therein;

(9) in BORROWER'S and/or CITY'S name (as CITY in its sole discretion may determine) demand, collect, receive and receipt for, compound, compromise, settle and give acquittance for, and prosecute and discontinue or dismiss, with or without prejudice, and suits or proceedings respecting any of the Collateral;

(10) prohibit BORROWER from granting any person rebate, refund, allowance or credit, or accepting from any person any return of any Collateral, without CITY'S prior written consent, which consent may be conditioned upon any requirement for payment or additional collateral from BORROWER as CITY, in its sole discretion, may determine;

(11) secure credit in the name of BORROWER or in the name of CITY, or pay, settle, or otherwise discharge any unpaid bills or charges for goods delivered or services rendered to or for the benefit of BORROWER, if CITY reasonably determines, in its sole discretion, that such action is necessary or advisable to protect, maintain or preserve the Collateral or CITY'S security interest therein;

(12) furnish to CITY, on demand or as soon as possible thereafter, such additional property as Collateral as CITY may from time to time require; or

(13) take any action which CITY may deem necessary or desirable in order to realize on any of the Collateral, including without limitation the power to perform any contract or to endorse in the name of BORROWER any checks, notes, drafts, receipts or other instruments or documents received in payment of or on account of, or constituting, any of the Collateral, BORROWER irrevocably appoints CITY its attorney-in-fact with full power of substitution for all or any such acts or purposes.

(b) the foregoing rights are cumulative and may be exercised by CITY singularly or in any combination at any time and from time to time, as often as CITY deems necessary or advisable.

16. **OTHER DOCUMENTS, ACTS** BORROWER covenants and agrees that it will, at any time or times and from time to time, at its own expense, execute and deliver or cause to be executed and delivered such security agreements, certificates, certificates of title, pledges,

assignments, financing statements, continuation financing statements, amendments, acknowledgements and other documents, and will perform or cause to be performed such other acts, as CITY may request in order to establish, preserve or maintain a valid and continuously perfected security interest in, or to determine the priority of, or terminate or enforce CITY'S security interest in, the Collateral, and pay all costs and expenses incurred in connection therewith. To the extent legally permissible, BORROWER irrevocably authorizes and appoints CITY as its attorney-in-fact with full power of substitution, to execute on BORROWER'S behalf and file at BORROWER'S expense a financing statement or statements, or alternatively, a copy of this AGREEMENT to perfect CITY'S security interest, or any amendment or amendments thereto, in those public offices deemed necessary or appropriate by CITY to establish, maintain and protect a continuously perfected security interest in the Collateral.

17. **DEFAULT** The occurrence of any one or more of the following shall constitute a Default under this AGREEMENT:

(a) non-payment of any of the Liabilities, or any portion thereof, when and in the manner due, whether by acceleration or otherwise;

(b) failure by BORROWER to observe or perform any covenant, agreement, condition or term of this AGREEMENT or failure by BORROWER to observe or perform any covenant, agreement, condition or term or any default under any other document, note, bond, mortgage or other writing between BORROWER and CITY;

(c) breach by BORROWER or any other Obligor (which term shall refer to any maker, co-maker, endorser, guarantor or surety of, or other person obligated under any statute for, any of the Liabilities) of any obligation or duty to CITY;

(d) any representation or warranty in any financial or other statement, schedule, certificate or other document of BORROWER or any other Obligor delivered to CITY by or on behalf of BORROWER or any other Obligor shall prove to be false, misleading or incomplete in any material respect;

(e) a material adverse change occurs in the financial condition of BORROWER or any other Obligor which is unacceptable to CITY in its sole discretion from the condition most recently disclosed to CITY in any manner;

(f) BORROWER or other Obligor dies, dissolves, liquidates, merges, reorganizes or ceases to conduct operations, or prepares or attempts to do any of the foregoing;

(g) a trustee or receiver is appointed for BORROWER or any other Obligor or for all or a substantial part of its or their property in any involuntary proceeding, or any court has taken jurisdiction of all or any substantial part of the property of BORROWER or other Obligor in any involuntary proceedings, or BORROWER or any other Obligor files a petition or answer not denying jurisdiction in Bankruptcy or under any similar law, state or federal, now or hereafter existing, or such a petition is filed against BORROWER or any other Obligor, or BORROWER or other Obligor becomes insolvent, howsoever evidenced, or makes an assignment for the benefit of creditors or admits in writing its or their inability to pay its or their debts generally as they become due, or fails within sixty (60) days to pay or bond or otherwise discharge any judgment or attachment which is unstayed on appeal, or if BORROWER or any other Obligor advertises a "going out of business" or liquidation sale, or holds or permits such a sale;

(h) BORROWER or any other Obligor expresses an intent to terminate or revoke responsibility for any of the Liabilities, or defaults under any other note, agreement, lease, indenture, mortgage or obligation incurred pursuant thereto, or a judgment is entered against BORROWER or any other Obligor evidencing either singly or in the aggregate a material obligation, the effect of which accelerates or entitles the holder thereof to accelerate any maturity thereof or results in the forfeiture by BORROWER or any other Obligor or its rights under any such note, agreement, lease, indenture or mortgage;

(i) any property of BORROWER or any other Obligor becomes the subject of any attachment, garnishment, levy or lien (unless expressly permitted in writing signed by CITY);

(j) any substantial part of the property of BORROWER or any other Obligor is taken or condemned by any governmental authority;

(k) BORROWER or any other Obligor assigns or otherwise transfers, or attempts to assign or transfer, any of its right, title and interest in any of the Collateral without the prior written consent of CITY;

(l) BORROWER or any other Obligor fails to furnish financial or other information as CITY may reasonably request;

(m) if there is any change in BORROWER'S or any other Obligor's officers, principal owners or partners as the case may be, which is unacceptable to CITY in its sole discretion; or

(n) CITY, in the reasonable and good faith exercise of its sole discretion deems itself or the Collateral unsecure for any reason whatsoever;

(o) the failure by BORROWER to strictly comply with any federal, state or local statute, regulation, rule, order, or other judicial or administrative order relating to the Collateral.

#### 18. **REMEDIES**

(a) Upon the occurrence of one or more Defaults, CITY may exercise any one or more of the following remedies, which are cumulative and may be exercised singularly or in any combination at any time and from time to time as long as any Default continues, without notice or demand to BORROWER or any other Obligor except as expressly required under this AGREEMENT or any applicable provision of law which cannot be waived prior to Default:

(1) declare all or any part of the Liabilities, together with costs of collection, including attorney's fees of fifteen percent (15%) of the unpaid principal, immediately due and payable, as if the same had in the first instance been payable as such time, without requiring any recourse against any other person or property liable for or securing any of the Liabilities;

(2) exercise any right of set-off which CITY may have against BORROWER or any other Obligor;

(3) exercise all or any of the rights and remedies of a secured party under the Uniform Commercial Code or as creditor under any other applicable law;

(4) require BORROWER to assemble the Collateral and any records pertaining thereto and make them available to CITY at a time and place designated by CITY;

(5) enter the premises of BORROWER and take possession of the Collateral and any records pertaining thereto, and also take possession of all personal property located in or attached to the Collateral without liability to BORROWER and hold such property for BORROWER at BORROWER'S expense;

(6) use, operate, manage, lease, or otherwise control the Collateral in any lawful manner, collect and receive all rents, income, revenue, earnings, issues and profits therefrom and, in its sole discretion but without any obligation to do so, insure, maintain, repair, renovate, alter or remove the Collateral;

(7) grant extensions or compromise or settle claims for less than face value relative to the proceeds without prior notice to BORROWER or any other Obligor;

(8) use, in connection with any assembly, use or disposition of the Collateral, any trademark, trade name, trade style, copyright, brand, patent right, license or technical process used or utilized by BORROWER;

(9) take such actions as CITY may deem necessary or advisable to preserve, process, develop, maintain, protect, care for or insure the Collateral or any portion thereof, and BORROWER irrevocably appoints CITY as its attorney-in-fact to do all acts and things in connection therewith; or

(10) sell or otherwise dispose of all or any of the collateral at public or private sale at any time or times without advertisement or demand upon or notice to BORROWER or any other Obligor, all of which are expressly waived to the extent permitted by law, with the right of CITY or its nominee to become purchaser at any sale (unless prohibited by statute) free from any equity of redemption and from all other claims, and after deducting all legal and other expenses for maintaining or selling the Collateral and all attorney's fees, legal or other expenses for collection, sale and delivery, apply the remaining proceeds of any sale to pay (or hold as a reserve against) any of the Liabilities.

(b) except to the extent limited by non-waivable provision of statute, CITY shall not be liable to any person whatsoever, for, or in connection with, the exercise, method of exercise, delay or failure to exercise any of the remedies provided for herein, and BORROWER shall indemnify, and agrees to hold harmless and waives and releases CITY from any and all claims, liabilities, actions, costs, suits, demands, damages or losses, whatsoever occurring on account of or in connection with such exercise, method of exercise, delay or failure to exercise.

(c) In the event BORROWER shall make application for or seek relief or protection under any of the sections or chapters of the United States Bankruptcy Code ("the Code"), or in the event that any involuntary petition is filed against BORROWER under any section or chapter of the Code, CITY shall thereupon be entitled to immediate relief from any

automatic stay imposed by Section 362 of the Code (or any Successor provision) or otherwise on or against the exercise of the rights and remedies otherwise available to CITY as provided in this AGREEMENT, and any documents referred to in this AGREEMENT (as currently in effect, as might be modified, or otherwise) and as otherwise provided by law. BORROWER agrees not to contest the validity or enforceability of this Section 19(c).

19. **NOTICES** Any notices required to be given to BORROWER shall be deemed reasonably and properly given if mailed at least twenty (20) days before any action contemplated in such notice shall be taken, postage prepaid, addressed to BORROWER at the address set forth in the introduction to this AGREEMENT.

20. **WAIVERS; INVALIDITY** No delay or failure by CITY in the exercise of any right or remedy shall constitute a waiver thereof, and no single or partial exercise by CITY of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy provided for in this AGREEMENT shall not preclude CITY from exercising or enforcing the same at any time or time thereafter.

If any provision of this AGREEMENT shall be held for any reason to be invalid, illegal or unenforceable in any respect, such impairment shall not affect any other provision hereof.

IT IS EXPRESSLY AGREED BY BORROWER AND CITY THAT IN ANY ACTION OR PROCEEDING BROUGHT BY BORROWER OR OTHERWISE COMMENCED AGAINST CITY ARISING OUT OF OR BASED UPON ANY PROVISION OF THIS AGREEMENT OR THE LIABILITIES, BORROWER FOR THEMSELVES, THEIR HEIRS, EXECUTORS, ADMINISTRATORS, SUCCESSORS AND ASSIGNS HEREBY WAIVE ANY RIGHT TO TRIAL OF ANY ISSUE OF FACT BY JURY, WHETHER SUCH TRIAL BY JURY IS PROVIDED FOR BY LAW, EQUITY OR APPLICABLE RULE OF CIVIL PROCEDURE.

21. **EXPENSES** BORROWER agrees to pay or reimburse CITY, immediately upon demand at any time or times, for all expenses incurred to perfect, protect and maintain continuously perfected CITY'S security interest and the priority thereof, in the Collateral, or to preserve, process, develop, maintain, protect, care for or insure any Collateral, or in the taking, holding preparing for sale, lease or other disposition, selling, leasing or otherwise disposing of the Collateral, or any other action taken by CITY to enforce or exercise its rights or remedies under this AGREEMENT, including without limitation reasonable attorney's fees, filing fees, documentary recordation taxes, appraisal charges and storages costs. If CITY advances any sums for such purposes,

BORROWER shall reimburse CITY therefore on demand, and such advance(s) shall bear interest at two percent (2%) per annum over the highest rate then payable on any of the Liabilities from the date(s) of such advance(s) and both the amount of such advance(s) and such interest shall constitute part of the Liabilities secured hereby.

22. **LEGAL EFFECT** This AGREEMENT binds and inures to the benefit of CITY, BORROWER, and their respective heirs, executors, administrators, representatives, successors and assigns.

23. **CONSTRUCTION** Whenever used in this AGREEMENT, unless the context clearly indicates a contrary intent:

(a) "BORROWER" shall mean each person (whether individual, corporation, partnership or unincorporated association) who executed this AGREEMENT, and any subsequent owner of the Collateral, and its or their respective heirs, executors, administrators, successors and assigns;

(b) "CITY" shall mean CITY of Scranton and its successors and assigns;

(c) the use of any gender shall include all genders;

(d) the singular shall include the plural, and the plural shall include the singular; and,

(e) if BORROWER is more than one person, all agreements, conditions, covenants and provisions of this AGREEMENT shall be joint and several undertaking of each of them and shall bind each of them as fully as though each of them were named specifically herein wherever "BORROWER" is used,

24. **AUTHORIZATION** BORROWER's execution, delivery, and performance of the AGREEMENT and all other related documents has been duly authorized by all necessary actions on the part of BORROWER, do not require the consent or approval of any other person, regulatory authority, or governmental body, and do not conflict with, result in a violation of, or constitute default under (1) any other agreements or other instruments binding upon BORROWER or (2) any law, governmental regulation, court decree, or other order applicable to BORROWER or to BORROWER'S properties. BORROWER has the power and authority to enter into this Agreement and to grant Collateral as security for the Liabilities. BORROWER has the further power and authority to own and to hold all of BORROWER'S assets and properties and to carry on BORROWER'S business as presently conducted.

25. **APPLICABLE LAW** This AGREEMENT shall be governed by and construed and enforced in accordance with the substantive law of the Commonwealth of Pennsylvania. All terms used herein shall have the meanings given to them by the Pennsylvania Uniform Commercial Code, to the extent not otherwise defined herein.

26. **ENTIRE AGREEMENT** This AGREEMENT and the documents executed and delivered pursuant hereto, constitute the entire agreement of the parties and may be amended only by writing signed by or on behalf of each party.

ATTEST:

BORROWER:

Attest:  
Preschool

Discovery Multiple Intelligences

\_\_\_\_\_  
Secretary  
Dr. Michelle Dudley, Ph.D

By: \_\_\_\_\_  
Board President,  
Stacy Nivert

Date: \_\_\_\_\_

### GUARANTY

Pursuant to this Guaranty dated the \_\_\_\_ day of \_\_\_\_\_, 2018 the undersigned, listed **Officers & Board Members of Discovery Multiple Intelligences Preschool**, (hereinafter referred to as "**Discovery MI Preschool**," ) ("GUARANTOR") a Pennsylvania Non-Profit Corporation with a principal place of business located at 1301 Beech Street, Scranton, PA 18505, hereby unconditionally guarantees to the City of Scranton, a city of the Second Class A, a municipal corporation, organized and existing under the laws of the Commonwealth of Pennsylvania (hereinafter the "City") the due performance, including, but not limited to, the prompt payment when due by the principal debtor, **Discovery MI Preschool**, and all of its liabilities to the City as set forth in that certain Loan to Grant Agreement and Promissory Note both dated the same date as this Guaranty concerning a loan from the City to **Discovery MI Preschool** in the amount of **Seventy Thousand Dollars (\$70,000.00)**.

This Guaranty is a continuing one and shall be effective as binding on the undersigned regardless whether or not all indebtedness is paid in full, until this guaranty is revoked by written notice actually received by the CITY, and such revocation shall not be effective as to indebtedness existing or committed for at the time of actual receipt of such notice by the CITY, or as to any renewals, extensions and re-financings thereof.

The liability of the undersigned hereunder is absolute and unconditional and shall not be affected in any way by reason of (a) any failure to retain or preserve, or the lack of prior enforcement of, any rights against any person or persons (including the **Discovery MI Preschool** and any of the undersigned) or in any property; (b) the invalidity of any such rights which may be attempted to be obtained; (c) any delay in enforcing or failure to enforce any such rights even if such rights are thereby lost; or (d) any delay in making demand on the undersigned for performance or payment of the undersigned's obligations hereunder.

The undersigned hereby waives all notices of any character whatsoever with respect to this Guaranty and the **Discovery MI Preschool**, liabilities to City including but not limited to notice of the acceptance hereof and reliance hereon, of the present existence or future incurring of any of the **Discovery MI Preschool** liabilities to City, of the amount, terms and conditions thereof, and of any defaults thereon. The undersigned hereby consents to the taking of, or failure to take, from time to time without notice to the undersigned, any action of any nature whatsoever with respect to the **Discovery MI Preschool** liabilities to City and with respect to any rights against any persons or persons (including the **Discovery MI Preschool** and any of the undersigned) or in any property, including but not being limited to, any renewals, extensions, modifications, postponements, compromises, indulgences, waivers, surrenders, exchanges and releases, and the undersigned will remain fully liable hereunder notwithstanding any of the foregoing; provided, however, that the granting of a release of the liability hereunder of less than all of the undersigned shall be effective with respect to the liability hereunder of the one or more who are specifically so released but shall in no way affect the liability hereunder of any other of the undersigned not so released. The death or incapacity of any of the undersigned shall in no way affect the liability hereunder of any other of the undersigned. The undersigned hereby waives the benefit of all laws now or hereafter in effect in any way limiting or restricting the liability of the undersigned hereunder, including without limitation (a) all defenses whatsoever to the undersigned's liability hereunder except the defense of payments made on account of the **Discovery MI Preschool** liabilities to City and (b) all right to stay of execution and exemption of property in any action to enforce the liability of the undersigned hereunder.

If any default shall be made in the payment of any indebtedness, the undersigned hereby agrees to pay the same to the extent above specified (a) without requiring protest or notice of nonpayment or notice of default to the undersigned, to the **Discovery MI Preschool**, or to any other person; (b)

without proof of demand; (c) without requiring City to resort first to the **Discovery MI Preschool**, or to any other guaranty or any collateral which City may hold; (d) without requiring any notice of acceptance hereof or assent hereto by City; and (e) without requiring notice that any indebtedness has been incurred, all of which the undersigned hereby waives. In addition to all other liability of the undersigned hereunder and notwithstanding the limit, if any, set forth herein, the undersigned also agrees to pay to the City on demand all costs and expenses (including reasonable attorney's fees and legal expenses) which may be incurred in the enforcement of the **Discovery MI Preschool** liabilities to City or the liability of the undersigned hereunder.

If any of the **Discovery MI Preschool** liabilities to City are not duly performed, including the prompt payment when due of any amount payable hereon, all the **Discovery MI Preschool** liabilities to City shall, at the City's option, be deemed to be forthwith due and payable for the purposes of this Guaranty and the liability of the undersigned hereunder.

**Confession of Judgment.** This Guaranty contains a warrant of attorney authorizing any Prothonotary, Clerk of Court, attorney of any court of record and/or the City (as well as someone acting for City) to appear for, and confess judgment(s) against Guarantor, without any prior notice or an opportunity to be heard. Subparagraph (a) below also permits City to execute upon the confessed judgment(s) which could have the effect of depriving Guarantor of his property without any prior notice or an opportunity to be heard. Guarantor hereby acknowledges that he has consulted with an attorney regarding the implications of these provisions and Guarantor understands that he is bargaining away several important legal rights. Accordingly, Guarantor hereby knowingly, intentionally, voluntarily and unconditionally waives any and all rights that he may have under the constitution and/or laws of the United States of America and the Commonwealth of Pennsylvania to prior notice and/or

an opportunity for hearing with respect to both the entry of such confessed judgment(s) and any subsequent attachment, levy or execution thereon.

(a) CONFESSION OF JUDGMENT. GUARANTOR COVENANTS AND AGREES THAT UPON THE OCCURRENCE OF AN EVENT OF DEFAULT BY ("DISCOVERY MI PRESCHOOL"), CITY MAY, WITHOUT LIMITATION, CAUSE JUDGMENTS FOR MONEY TO BE ENTERED AGAINST GUARANTOR AND, FOR THOSE PURPOSES, GUARANTOR HEREBY GRANTS THE FOLLOWING WARRANT OF ATTORNEY: (I) GUARANTOR HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS ANY PROTHONOTARY, CLERK OF COURT, ATTORNEY OF ANY COURT OF RECORD AND/OR CITY (AS WELL AS SOMEONE ACTING FOR CITY) IN ANY AND ALL ACTIONS COMMENCED AGAINST GUARANTOR FOR RECOVERY OF THE PRINCIPAL AND INTEREST ON DISCOVERY MI PRESCHOOL LOAN AND/OR OTHER AMOUNTS TO BE PAID TO CITY BY GUARANTOR AND TO APPEAR FOR GUARANTOR, AND ASSESS DAMAGES AND CONFESS OR OTHERWISE ENTER JUDGMENT AGAINST GUARANTOR, FOR PRINCIPAL AND INTEREST ON DISCOVERY MI PRESCHOOL LOAN AND/OR OTHER AMOUNTS TO BE PAID TO CITY BY GUARANTOR, TOGETHER WITH INTEREST AT THE LEGAL RATE, COSTS AND AN ATTORNEYS' COMMISSION EQUAL TO THE GREATER OF \$5,000 OR FIFTEEN PERCENT (15%) OF THE FULL AMOUNT OWED; AND THEREUPON WRITS OF EXECUTION MAY FORTHWITH ISSUE AND BE SERVED, WITHOUT ANY PRIOR NOTICE, WRIT OR PROCEEDING WHATSOEVER; AND (II) THE WARRANT OF ATTORNEY HEREIN GRANTED SHALL NOT BE EXHAUSTED BY ONE OR MORE EXERCISES THEREOF BUT SUCCESSIVE ACTIONS MAY BE COMMENCED AND SUCCESSIVE JUDGMENTS MAY BE CONFESSED OR OTHERWISE ENTERED AGAINST GUARANTOR FROM TIME TO TIME AS OFTEN AS ANY AMOUNTS AND SUMS SHALL FALL OR BE DUE OR PAYABLE, AND THIS WARRANT OF ATTORNEY MAY BE EXERCISED AFTER THE TERMINATION OR EXPIRATION OF THE LOAN TERM AND/OR DURING OR AFTER ANY EXTENSIONS OF THE LOAN TERM OR RENEWALS THEREOF.

\_\_\_\_\_  
Stacy Nivert, President

DATE: \_\_\_\_\_

So long as the **Discovery MI Preschool** liabilities to City have not been paid in full, no payment by the undersigned pursuant to the provisions hereof shall entitle the undersigned, by subrogation, to the rights of the City or otherwise, to any payment by the **Discovery MI Preschool** or out of the property of the **Discovery MI Preschool**.

A subsequent Guaranty by the undersigned or any other guarantor of the **Discovery MI Preschool** liabilities to City shall not be deemed to be in lieu of or to supersede or terminate this Guaranty but shall be construed as an additional or supplementary guaranty unless otherwise expressly provided therein; and in the event the undersigned or any other guarantor has given to the City a previous guaranty or guaranties, this guaranty shall be construed to be an additional or supplementary guaranty, and not to be in lieu thereof or to terminate such previous guaranty or guaranties unless expressly so provided herein.

This Guaranty shall inure to the benefit of the City, its successors, assigns, endorsers and any person or persons, including any institution or institutions, to whom the City may grant any interest in the **Discovery MI Preschool** liability to City or any of them, and shall be binding upon the undersigned and the undersigned's executors, administrators, successors, assigns and other legal representatives.

It is expressly agreed by the Guarantor and City that in any action or proceeding brought by the Guarantor or otherwise commenced against City arising out of or based upon any provision of this Guaranty the Guarantor, jointly and/or severally for the undersigned, and the Guarantor's heirs, Executors, Administrators, Successors and Assigns hereby waives any right to trial of any issue of fact by jury, whether such trial by jury is provided for by law, equity or applicable rule of civil procedure.

The Guarantor intends this to be a sealed instrument and to be legally bound hereby. All issues arising hereunder shall be governed by the Laws of Pennsylvania.

IN WITNESS WHEREOF, intending to be legally bound, the Guarantor has duly caused this Guaranty to be duly signed the day and year first above written.

\_\_\_\_\_  
**Stacy Nivert, President**  
**President**

\_\_\_\_\_  
**DATE**

**Commonwealth of Pennsylvania )**

**ss:**

**County of Lackawanna )**

On this, the \_\_\_\_\_ day of \_\_\_\_\_, 2018, before me, a Notary Public, the undersigned Officer, personally appeared **Stacy Nivert**, known to me (or satisfactorily proven) to be the person whose name is ~~are~~ subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained.

**In Witness Where**, I hereunto set my hand and official seal.

\_\_\_\_\_  
\_\_\_\_\_  
Title of Officer

The Guarantor intends this to be a sealed instrument and to be legally bound hereby. All issues arising hereunder shall be governed by the Laws of Pennsylvania.

IN WITNESS WHEREOF, intending to be legally bound, the Guarantor has duly caused this Guaranty to be duly signed the day and year first above written.

\_\_\_\_\_  
**Dr. Meghan Feliciani**  
**Vice President**

\_\_\_\_\_  
**DATE**

**Commonwealth of Pennsylvania** )  
**County of Lackawanna** )

ss:

On this, the \_\_\_\_\_ day of \_\_\_\_\_ 2018, before me, a Notary Public, the undersigned Officer, personally appeared **Dr. Meghan Feliciani**, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained.

**In Witness Where,** I hereunto set my hand and official seal.

\_\_\_\_\_  
\_\_\_\_\_  
Title of Officer

The Guarantor intends this to be a sealed instrument and to be legally bound hereby. All issues arising hereunder shall be governed by the Laws of Pennsylvania.

IN WITNESS WHEREOF, intending to be legally bound, the Guarantor has duly caused this Guaranty to be duly signed the day and year first above written.

\_\_\_\_\_  
**Aaron Nivert**  
**Treasurer**

\_\_\_\_\_  
**DATE**

**Commonwealth of Pennsylvania** )

ss:

**County of Lackawanna** )

On this, the \_\_\_\_\_ day of \_\_\_\_\_ 2018, before me, a Notary Public, the undersigned Officer, personally appeared **Aaron Nivert**, known to me (or satisfactorily proven) to be the person whose name is are subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained.

**In Witness Where**, I hereunto set my hand and official seal.

\_\_\_\_\_  
\_\_\_\_\_  
Title of Officer

The Guarantor intends this to be a sealed instrument and to be legally bound hereby. All issues arising hereunder shall be governed by the Laws of Pennsylvania.

IN WITNESS WHEREOF, intending to be legally bound, the Guarantor has duly caused this Guaranty to be duly signed the day and year first above written.

\_\_\_\_\_  
**Dr. Michelle Dudley**  
**Secretary**

\_\_\_\_\_  
**DATE**

**Commonwealth of Pennsylvania** )  
  **ss:**  
**County of Lackawanna** )

On this, the \_\_\_\_\_ day of \_\_\_\_\_ 2018, before me, a Notary Public, the undersigned Officer, personally appeared **Dr. Michelle Dudley**, known to me (or satisfactorily proven) to be the person whose name is are subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained.

**In Witness Where**, I hereunto set my hand and official seal.

\_\_\_\_\_  
\_\_\_\_\_  
**Title of Officer**



DEPARTMENT OF LAW

PENNSYLVANIA

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

May 7, 2018

RECEIVED

MAY 07 2018

OFFICE OF CITY  
COUNCIL/CITY CLERK

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION AUTHORIZING THE MAYOR AND  
OTHER APPROPRIATE CITY OFFICIALS FOR THE CITY OF SCRANTON TO  
ENTER INTO A LOAN TO GRANT AGREEMENT AND MAKE A LOAN/GRANT  
FROM THE CITY OF SCRANTON BUSINESS AND INDUSTRY LOAN/GRANT  
PROGRAM FOR PROJECT NO.150.44 IN AN AMOUNT NOT TO EXCEED  
\$70,000.00 TO DISCOVERY MULTIPLE INTELLIGENCES PRESCHOOL, TO  
ASSIST AN ELIGIBLE PROJECT.

Respectfully,

*Jessica Eskra (s)*  
Jessica L. Eskra, Esquire  
City Solicitor

JLE/sl