WHEREAS, The City, as an inducement to the Commonwealth to make the Grant, as an inducement to the Authority to undertake the Hotel Project and to authorize and to issue the Bonds, and as an inducement to initial purchasers and to subsequent holders of the Bonds, from time to time, and to enhance and to ensure the marketability of the Bonds, desires to enter into this Guaranty Agreement with respect to the Bonds, as is permitted by the Debt Act and other applicable laws of the Commonwealth; and

WHEREAS, The Governing Body of the City, in entering into this Guaranty Agreement, is acting in the public interest in connection with preservation and protection of the general health and welfare of inhabitants of the City and of the Commonwealth and is aiding and cooperating in the operation of the Authority and in its redevelopment activities; and

WHEREAS, The parties hereto desire to set forth the terms and conditions under and pursuant to which the Bonds are to be guaranteed by the City to the extent and in the manner provided herein and related matters.

NOW, THEREFORE, The parties hereto covenant and agree as follows: