

ORDINANCE NO. 96-1

AN ORDINANCE AUTHORIZING THE EXECUTION BY ROCKWOOD BOROUGH OF A GUARANTY AGREEMENT BY AND BETWEEN ROCKWOOD BOROUGH AS GUARANTOR, ROCKWOOD BOROUGH MUNICIPAL AUTHORITY AS BORROWER, AND THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY, AS LENDER IN THE AMOUNT OF EIGHT HUNDRED FIFTY THOUSAND and 00/100 (\$850,000.00) DOLLARS; MAKING A GUARANTY AND COVENANT TO PLEDGE THE FULL FAITH AND CREDIT OF ROCKWOOD BOROUGH TO THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY FOR SAID LOAN OF EIGHT HUNDRED FIFTY THOUSAND and 00/100 (\$850,000.00) DOLLARS AS FURTHER SECURITY FOR THE REPAYMENT OF THE LOAN IN ACCORDANCE WITH CERTAIN TERMS AND CONDITIONS SHOULD THE BORROWER DEFAULT.

WHEREAS, the Rockwood Borough Municipal Authority has determined to undertake various improvements to the water system within the meaning of the Pennsylvania Infrastructure Investment Authority Act of 1988, which improvements have an estimated useful life in excess of thirty (30) years;

WHEREAS, in order to finance the cost of the project, the Rockwood Borough Municipal Authority has determined to secure a loan from the Pennsylvania Infrastructure Investment Authority in the amount of Eight Hundred Fifty and 00/100 (\$850,000.00) Dollars;

WHEREAS, under the terms of the various loan documents the Rockwood Borough Municipal Authority has pledged its full faith and credit to repay the loan in accordance with the certain terms and conditions established by the Pennsylvania Infrastructure Investment Authority from the gross receipts and revenues generated from the use of the system, and to the extent necessary, from any and all other gross receipts and revenues;

WHEREAS, as further security for the repayment of the loan, in accordance with the terms and conditions of the loan documents, the Pennsylvania Infrastructure Investment Authority requires Rockwood Borough to execute a certain Guaranty Agreement providing for the full and unconditional guarantee of repayment of the loan in accordance with certain terms and conditions.

NOW, THEREFORE, be it ordained and enacted by Rockwood Borough, and it is hereby ordained and enacted by the Authority of same as follows:

SECTION 1. Rockwood Borough does adopt the terms and conditions of a Guaranty Agreement between Rockwood Borough, Rockwood Borough Municipal Authority and the Pennsylvania Infrastructure Investment Authority, which will serve as the guarantee by Rockwood Borough, of a loan from the Pennsylvania Infrastructure Investment Authority to Rockwood Borough Municipal Authority in the amount of Eight Hundred Fifty Thousand and 00/100 (\$850,000.00) Dollars, by documents to be executed on or about November 27, 1996, and which will call for the repayment of same, over a period of twenty (20) years, pursuant to the terms and conditions contained in said loan agreements.

SECTION 2. The indebtedness is evidenced by certain documents between Rockwood Borough Municipal Authority and the Pennsylvania Infrastructure Investment Authority; and, as the guaranty especially applied to Rockwood Borough, as evidenced by a certain Guaranty

Agreement, all the terms and conditions of which said Guaranty Agreement are incorporated herein by reference, and a copy of which is incorporated herein as an exhibit to this Ordinance rather than having the same repeated here in its entirety.

SECTION 3. In general, the Guaranty Agreement does require Rockwood Borough to include the amounts payable under the Guaranty Agreement in its budget for each fiscal year; to appropriate such amounts from its general revenues for the payments of the amounts payable under the Guaranty Agreement; to duly and punctually pay or cause to be paid such revenues, to the extent of its obligations thereunder, the amounts payable under said Guaranty Agreement; and to pledge its full faith, credit and taxing power for the payment of same if necessary.

SECTION 4. The Guaranty Agreement shall be executed in the name and under the seal of Rockwood Borough by its Council President and attested to by its Secretary. The appropriate officers of Rockwood Borough are authorized and directed to prepare, verify and file the necessary statements with the Department of Community and Economic Development as required by the Guaranty Agreement.

SECTION 5. The actions of the officers in advertising a summary of this Ordinance as required by law in the Somerset Daily American, a newspaper of general circulation, is ratified and confirmed, as done prior to this adoption. And, further advertisement in said paper of

the enactment of this Ordinance is hereby directed.

SECTION 6. All Ordinances or parts of Ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

ENACTED and ORDAINED this 30th day of October, 1996.

Attest:

ROCKWOOD BOROUGH

Brenda Werntz  
Brenda Werntz, Secretary

By John Bowlby  
John Bowlby, Council President

Approved this 30th day of October, 1996 by

Donald Warrick  
Donald Warrick, Mayor