

ORDINANCE NO. 94- 3

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 JOHNSTOWN BANK AND TRUST COMPANY AS LENDER, IN THE AMOUNT OF \$330,000.00, MAKING A GUARANTEE AND COVENANT TO PLEDGE THE FULL FAITH AND CREDIT OF ROCKWOOD BOROUGH TO JOHNSTOWN BANK AND TRUST COMPANY FOR THE SAID LOAN OF \$330,000.00 AS SECURITY FOR THE REPAYMENT OF THE SAID LOAN SHOULD THE BORROWER DEFAULT.

WHEREAS, the Rockwood Borough Municipal Authority has determined that it is appropriate for the best interests of the citizens of Rockwood Borough and related areas for the Rockwood Borough Municipal Authority to acquire or purchase all of the assets and/or stock of the Rockwood Water Company, Inc.;

WHEREAS, in order to finance the cost of this acquisition, Rockwood Borough Municipal Authority has determined to secure a loan from Johnstown Bank and Trust Company in the amount of \$330,000.00;

WHEREAS, under the terms of the various loan documents, Rockwood Borough Municipal Authority has pledged its full faith and credit to repay the loan in accordance with the terms of the loan document from the gross receipts and revenues generated from the water system; and

WHEREAS, as further security for the repayment of the loan, Johnstown Bank and Trust Company has requested that Rockwood Borough execute a certain Guaranty Agreement providing for the full and unconditional guaranty of the repayment of the loan in accordance with the terms and conditions of the said documents.

NOW, THEREFORE, be it ORDAINED and ENACTED by the Rockwood Borough, and it is hereby ORDAINED and ENACTED as follows:

Section 1. Rockwood Borough does adopt the terms and conditions of a Guaranty Agreement between Rockwood Borough and Rockwood Borough Municipal Authority, and Johnstown Bank and Trust Company, which will serve as the guarantee by Rockwood Borough of a certain loan from Johnstown Bank and Trust Company to Rockwood Borough Municipal Authority in the amount of \$330,000.00, in accordance with documents anticipated to be executed on or about August 2, 1994, which will call for the repayment of same over a period of twenty (20) years pursuant to the terms and conditions of the said loan documents.

Section 2. The indebtedness is evidenced by certain documents between Rockwood Borough Municipal Authority and Johnstown Bank and Trust Company; and, as the Guaranty specifically applies to Rockwood Borough, all the terms and conditions of the said Guaranty Agreement are incorporated herein by reference, by virtue to a copy of the said Agreement attached as an Exhibit to this Ordinance.

Section 3. In general, the Guaranty Agreement requires Rockwood Borough to include the amounts payable under the Guaranty Agreement under its budget for each fiscal year; and to appropriate any funds necessary from its general revenues for the payment of the amounts payable under the Guaranty Agreement, and to duly and punctually pay or cause to be paid such revenues; and, to pledge as full faith,

credit and taxing power for the payment of same, if same is necessary.

Section 4. The Guaranty Agreement shall be executed in the name and under the seal of Rockwood Borough by the Council President and attested to by the Secretary. And, the appropriate officers are hereby authorized and directed to file any other statements or documents which may be necessary in regard to this Guaranty Agreement.

Section 5. The actions of the officers of Rockwood Borough in causing to be advertised this Ordinance, after its adoption, is hereby ratified and confirmed as the same had been accomplished prior to. And, further advertisement of the enactment of this Ordinance is hereby directed.

Section 6. All Ordinances or parts of same not in accord with this Ordinance are hereby repealed in so far as they conflict herewith.

ENACTED and ORDAINED this 19th day of July, 1994.

Attest:

ROCKWOOD BOROUGH

Barbara E. Phillippi  
Barbara E. Phillippi  
Secretary

By John A. Bowlby  
John A. Bowlby  
Council President

APPROVED this 19th day of July, 1994 by

Harold E. Geary  
Harold E. Geary, Mayor

# GUARANTY

1. To induce Johnstown Bank and Trust Company, a banking association having offices in Johnstown, Pennsylvania (hereinafter called "Bank"), to make, renew, extend or continue a loan or to extend any other financial accommodation to \_\_\_\_\_ (hereinafter called "Borrower") the undersigned does hereby guarantee, and become surety for, the prompt and punctual payment at maturity, whether by acceleration or otherwise, of the principal of, interest on, and other sums payable in connection with, all indebtedness and obligations of Borrower to Bank, whether as maker, drawer, endorser, guarantor, surety or otherwise whatsoever, due or to become due, direct or contingent, whether with any other person or persons or not, and whether now existing, or contemporaneously or hereafter arising or contracted.

2. Bank shall not be required, as a condition of the liability of the undersigned, to make any demand upon, or to pursue any of its rights against, Borrower, or to pursue any rights which may be available to it with respect to any other person who may be liable for the payment of any such indebtedness or obligation.

3. The undersigned does hereby waive any notice of the incurring by Borrower of any indebtedness or obligation to Bank. The undersigned also waives presentment and notice of default with respect to any evidence of indebtedness of Borrower to Bank and, until Bank shall have been paid in full, any right the undersigned might otherwise have to subrogation or the marshalling of Borrower's assets.

4. Bank, without notice to the undersigned, shall have the right at any time, and from time to time, to deal in any manner it shall see fit with any indebtedness of Borrower to it and with any security for such indebtedness, to accept partial payments on account of any indebtedness or obligation of Borrower, to grant extensions or renewals of all or any part of any such indebtedness, to demand or receive additional security for any such indebtedness or obligation, and to accept substitutions for, or release, all or any security which it holds or may hold for any indebtedness or obligation of Borrower.

5. In the event Borrower shall at any time fail to pay Bank, when the same shall be due, the principal of, interest on, or other sums payable in conjunction with, any indebtedness or obligation, the undersigned promises to pay such amount to Bank forthwith.

6. This agreement shall continue in force in any event for so long as Borrower shall be indebted to Bank, and thereafter until Bank shall have actually received written notice of the termination hereof from the undersigned, it being contemplated that Borrower may borrow, repay and subsequently borrow money from, or become indebted to, Bank from time to time, and the undersigned, not having given notice of the termination hereof, as herein provided, shall be deemed to have permitted this agreement to remain in full force and effect for the purpose of inducing Bank to make further loans to Borrower.

7. Bank may, without notice to the undersigned, and without prejudice to this agreement, release and discharge from liability to it, any of the undersigned, if the undersigned be more than one, or any other guarantor of, or surety for, the payment of any indebtedness or obligation of Borrower to Bank, any of the undersigned not so discharged agreeing to remain bound hereby, notwithstanding.

8. No postponement or delay on the part of Bank in the enforcement of any right hereunder shall constitute a waiver of such right.

9. No invalidity, irregularity, or unenforceability of all or any part of the liabilities hereby guaranteed, or of any security therefor shall effect, impair or be a defense to this agreement, and this agreement is a primary obligation of the undersigned.

10. This agreement constitutes the entire agreement by the undersigned and supersedes all previous agreements and negotiations, written or oral, respecting the obligation of the undersigned set forth herein. The undersigned warrants that no representations, promises or understandings except as are contained herein, have been made to the undersigned in connection herewith.

11. As used herein "undersigned", if there be more than one, shall mean, "all of the undersigned," and in such case they are jointly and severally bound.

WITNESS the due execution and sealing hereof with the intent of being legally bound this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
(SEAL)

\_\_\_\_\_  
(SEAL)

\_\_\_\_\_  
(SEAL)

\_\_\_\_\_  
(SEAL)

Address: \_\_\_\_\_

\_\_\_\_\_