

RESOLUTION 2017-13

RESOLUTION AUTHORIZING A LOAN FROM A BANK TO THE CITY, EVIDENCED BY A PROMISSORY NOTE, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED FIVE HUNDRED FIFTY FIVE THOUSAND DOLLARS (\$555,000) TO PROVIDE TEMPORARY FINANCING FOR THE CONSTRUCTION OF THE EXTENSION OF A PUBLIC WATER MAIN WEST OF THE NPPD TAIL RACE IN THE CITY, SUBJECT TO RECEIPT OF A GRANT FROM THE UNITED STATES ECONOMIC DEVELOPMENT ADMINISTRATION; PRESCRIBING THE TERMS OF SUCH LOAN AND PROMISSORY NOTE; PROVIDING FOR PAYMENT OF THE INTEREST ON AND PRINCIPAL OF SUCH LOAN AND PROMISSORY NOTE

Section 1. The Mayor and Council (the "Council") of the City of Gothenburg, Nebraska (the "City") hereby find and determine as follows:

(a) It is necessary for the City to construct certain public infrastructure improvements to provide sewer west of the NPPD tailrace in the City, which may include construction of a potable water main system improvements and all necessary grading, engineering, and other costs associated therewith (the "Project");

(b) The City has applied for a grant (the "Grant") from the Economic Development Administration of the United States Department of Commerce ("EDA") to partially fund the Project; and should the City receive said grant the City intends to obtain temporary construction financing of the water main installation through a loan to the City by a Bank with a place of business in the City;

(c) In the event the City receives the Grant the City and First State Bank, Gothenburg (the "Bank") have proposed to obtain construction financing for the water main installation portion of the Project through a loan (the "Loan") to the City by the Bank, evidenced by a promissory note (the "Note"), pursuant to authority granted to the City in Section 17-534, Reissue Revised Statutes of Nebraska (the "Act");

Section 2. Upon the receipt of Notice of Award of the Grant and only in that event (a) the Mayor and Council further find and determine that the City shall comply with all conditions, acts and things required by law to exist or to be done precedent to the Loan, evidenced by the Note, pursuant to the Act. The Note shall consist of one registered Note without coupons. To evidence the Loan, the Note is hereby authorized to be delivered to the Bank pursuant to terms approved by the Mayor or City Administrator of the City (each, an "Authorized Officer"). In connection therewith, an Authorized Officer is hereby authorized to execute a Designation of Final Rates and Terms, which may be evidenced by the terms of the Note as delivered to the Bank (the "Designation") to specify, determine, designate, establish and appoint, as the case may be (i) the principal amount of the Note, in an amount not to exceed \$555,000 (ii) the title, dated date, and

the final maturity date of the Note, which shall not be later than one year after the date of original issue of the Note, (iii) the principal amounts falling due on each principal payment date (iv) the rate of interest on the Note, provided that the interest rate shall not exceed six percent (6.0%), (v) the principal payment dates and interest payment dates, (vi) the date of original issue of the Note (the "Date of Original Issue") and (vii) all other terms and provisions of the Note not otherwise specified or fixed by this Resolution.

(b) The Note shall be subject to prepayment at the option of the City prior to the stated maturity at any time, as a whole, or in part from time to time in such principal amount as the City, in its sole and absolute discretion shall determine.

If less than all of the principal amount of the Note is to be prepaid, no surrender of the Note shall be necessary, but rather the books and records of the Bank regarding the outstanding principal amount of the Note shall be relied upon as evidence of the outstanding principal amount thereof.

Notice of prepayment of the Note stating its designation, date, maturity and principal amount to be prepaid shall be given by the City by mailing such notice by first-class mail, postage prepaid, not less than five (5) days prior to the date fixed for prepayment to the registered owner at its most recent addresses appearing upon the books of registry, but failure to mail such notice shall not affect the proceedings for prepayment. Notice of prepayment need not be given to the holder of the Note, whether registered or not, who has waived notice of prepayment. Notice of prepayment having been given as provided above or notice of prepayment having been waived by the owners of Note called for prepayment who have not been given such notice as provided above, the Note so called for prepayment shall become due and payable on the designated prepayment date. If on or before the said prepayment date funds sufficient to pay the Note so called for prepayment at the applicable prepayment amount and accrued interest to said date have been deposited or caused to have been deposited by the City with the Registrar or the Bank for the purposes of such payment and notice of prepayment thereof has been given or waived as hereinbefore provided, then from and after the date fixed for prepayment interest on such Note so called shall cease to accrue and become payable. If such funds shall not have been so deposited with the Registrar or Bank as provided on or before the date fixed for prepayment, such call for prepayment shall be revoked and the Note so called for prepayment shall continue to be outstanding the same as though they had not been so called, and shall continue to bear interest until paid at such rate as they would have borne had they not been called for prepayment, and shall continue to be protected by this Resolution and entitled to the benefits and security hereof.

Section 3. Interest on the Note at the respective rates for each maturity is payable semiannually as provided in the Designation (each of such dates an "Interest Payment Date") from the Date of Original Issue or the most recent Interest Payment Date, whichever is later, until maturity or earlier prepayment by check or draft mailed by the Registrar or its successor on such Interest Payment Date to the registered owner of each Note at such registered owner's address as it appears on the Note Register maintained by the Registrar or its successor at the close of business on the fifteenth day preceding such Interest Payment Date (the "Record Date") subject to the provisions of the following paragraph. The principal on the Note and the interest due at maturity

or upon prepayment prior to maturity is payable in lawful money of the United States of America to the registered owners thereof upon presentation and surrender of such Note to the Registrar.

In the event that payments of interest due on the Note on an Interest Payment Date are not timely made, such interest shall cease to be payable to the registered owners as of the Record Date for such Interest Payment Date and shall be payable to the registered owners of the Note as of a special date of record for payment of such defaulted interest as shall be designated by the Registrar whenever moneys for the purpose of paying such defaulted interest become available.

If the date for payment of the principal of or interest on the Note shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of Gothenburg, Nebraska, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

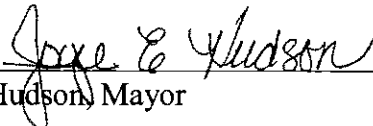
Section 4. The Note shall be executed on behalf of the City by the manual or facsimile signatures of the Mayor and Clerk and shall have the City Seal impressed or imprinted on the Note. In case any officer whose signature or a facsimile of whose signature shall appear on the Note and shall cease to be such officer before the delivery of the Note, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery. Notwithstanding such execution, the Note shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Note has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Note need not be signed by the same representative. The executed certificate or authentication on the Note shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

Section 5. The Note shall be paid in full from the issuance of a water bond at a date to be determined by the City Council, within one year from the issuance of the Note.

Section 6. This resolution was passed by more than 3/4th of the members of the Gothenburg City Council.

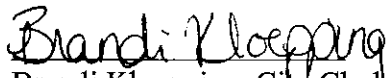
Passed and approved this 21st day of November 2017.

CITY OF GOTHENBURG, DAWSON
COUNTY, NEBRASKA



Joyce Hudson, Mayor

ATTEST:


Brandi Klopping, City Clerk

APPROVED AS TO FORM


Michael L. Bacon, City Attorney