

A SPECIAL MONTHLY MEETING OF THE COMMON COUNCIL OF THE CITY OF NEKOOSA WAS HELD IN THE COUNCIL CHAMBERS ON MONDAY, MARCH 21, 2011 AT 6:00 P.M.

The Meeting was called to order by Mayor Gordon G. Freeman

Ken Hartje	Terry Shymanski	Robert Schultz	Brad Hamilton
Larry Krubsack	August Woiak	Robert Wenzel	Dan Carlson

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE COMMON COUNCIL OF THE City of Nekoosa
AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS
FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING
CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

Water Utility

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO
SERVE

WHEREAS, it is necessary for the City of Nekoosa

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

ONE MILLION ONE HUNDRED EIGHTY NINE THOUSAND FIVE HUNDRED
(1,189,500.00)

pursuant to the provisions of State Stat. 62.05(1) (d); and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, 'Assurance Agreement,' and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000,
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legally permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof; or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be

Moved by Hamilton Seconded by Shymanski to adopt Resolution Authorizing a Loan from USDA-Rural Development in the amount of \$1,289,500 for the purpose of refinancing the Water Tower Project. (A similar resolution to authorize a loan in the amount of \$1,250,000 was previously adopted by the Common Council; however, this resolution reflects the actual, lower loan amount.) Carried

Roll Call Vote: 8 Ayes, 0 Nays. Carried.

Moved by Hamilton Seconded by Krubsack to approve Quarles & Brady Revised Scope of Engagement Re: Issuance of \$2,947,000 City of Nekoosa Water System Mortgage Revenue Bonds through the United States Department of Agriculture Rural Development.

Roll Call Vote: 8 Ayes, 0 Nays. Carried.

Moved by Hamilton Seconded by Wenzel to adjourn. Carried

Respectfully Submitted

Joseph M. Rusch II
City Clerk