

RESOLUTION NO. 2013-21

A RESOLUTION AUTHORIZING THE EXTENSION OF A ONE HUNDRED SEVENTY-FIVE THOUSAND (\$175,000.00) DOLLAR SECURED LOAN BETWEEN ROSEBUD MANUFACTURING CO. INC. AND THE CITY OF MADISON

WHEREAS, the City of Madison has created through the actions of its citizens and neighbors the Community Development Fund to be used for (1) purchase of equipment and infrastructure, and (2) operating capital to enhance industrial development growth, provided expenditures will result in more employment opportunities in the Madison area and promotes the welfare of the City and the surrounding area; and

WHEREAS, the City adopted Resolution No. 2670 on March 3, 2008 authorizing the issuance of a loan with the original principal sum of \$225,000.00 with interest accruing at a rate of 3% per annum on a twenty (20) year amortization with a balloon payment satisfying all indebtedness to be paid at the expiration of sixty (60) monthly payments; and

WHEREAS, Rosebud Manufacturing Co. Inc. has requested an extension to re-pay the above referenced loan in full; and

WHEREAS, it appears the loan, and extension thereof, meets the parameters and guidelines of the City for continued use of the Community Development Funds;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF MADISON, SOUTH DAKOTA:

That the City does hereby grant an extension of a loan not to exceed the sum of One Hundred Seventy-Five Thousand (\$175,000.00) Dollars from the Community Development Fund to Rosebud Manufacturing Co. Inc. under the following terms and conditions:

1. The principal amount of the loan extension shall be an amount not to exceed One Hundred Seventy-Five Thousand (\$175,000.00) Dollars.
2. The payments on the loan during the five-year period shall be blended monthly payments of \$1,247.84 of principal and interest at the rate of three percent (3%) per annum on a twenty (20) year amortization with a balloon payment satisfying all indebtedness to be paid at the expiration of sixty (60) monthly payments payable on or before July 1, 2018. If payment is not made by the due date of each payment, a late payment of \$25.00 per day shall be assessed. Payments shall first be applied to those most outstanding.
3. The loan shall continue to be secured by the following:
 - a. A pro-rata shared first mortgage on the real estate on the building and real property located at 701 SE 12th Street in Madison, South Dakota.
 - b. Unsecured personal guarantees by the principals of Rosebud Manufacturing Co. Inc.
4. Rosebud Manufacturing Co. Inc. shall provide quarterly financial reports to the City until all indebtedness is repaid.

5. All closing costs shall be paid by the City. Closing costs shall be defined as document preparation fees, recording fees, city representative attorney's fees, loan closing fees and flood certification fees.

BE IT FURTHER RESOLVED BY THE CITY COMMISSION OF THE CITY OF MADISON, SOUTH DAKOTA:

That the Mayor, contingent upon Rosebud Manufacturing Co. Inc. meeting all financing, zoning, environmental, regulatory and construction requirements, is authorized to execute and sign any and all documents necessary to carry out the purposes of this resolution included but not limited to deeds or security documents on behalf of the City.

Dated this 17th day of June, 2013.

CITY OF MADISON

/s/Roy Lindsay
Mayor

ATTEST: /s/Jennifer Eimers
Finance Officer

Published once at the approximate cost of \$_____.