

**ORDINANCE NO. 13-734**

**AN ORDINANCE AMENDING ORDINANCE NO 13-733, EFFECTIVE AS OF OCTOBER 1, 2013, TO AUTHORIZE THE ISSUANCE, SALE, AND DELIVERY OF A TAX ANTICIPATION NOTE OF THE CITY OF FRIEND, NEBRASKA IN THE PRINCIPAL AMOUNT OF \$324,808 TO PROVIDE FINANCING FOR CERTAIN OPERATING EXPENSES OF WARREN MEMORIAL HOSPITAL; PRESCRIBING THE FORM AND DETAILS OF THE NOTE; COVENANTING TO PAY SUCH NOTE FROM THE REVENUES OF WARREN MEMORIAL HOSPITAL AND, IF NECESSARY, TO LEVY TAXES IN AMOUNTS SUFFICIENT TO PAY THE PRINCIPAL AND INTEREST ON THE NOTE; PROVIDING FOR THE PUBLICATION OF THIS ORDINANCE IN PAMPHLET FORM AND RELATED MATTERS**

**BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF FRIEND, NEBRASKA:**

**Section 1.** The Mayor and Council (the “**Council**”) of the City of Friend, Nebraska (the “**City**”) hereby finds and determines:

(a) The City is duly organized and validly existing as a city of the second class and political subdivision of the State of Nebraska (the “**State**”) under Chapter 17, Reissue Revised Statutes of Nebraska, as amended.

(b) Pursuant to Ordinance No. 13-733, the City authorized the issuance of its negotiable promissory note in the amount of \$84,956.55 (the “**Original Note**”) for the purpose of provide an operating line of credit to pay operating expenses incurred at Warren Memorial Hospital (the “**Hospital**”), owned and operated by the City.

(c) The calculations on which principal amount of the Original Note was based included certain expenditures which were properly excluded from such calculations and it is now necessary, desirable, advisable and in the best interests of the City to amend Ordinance No. 13-733, effective as of October 1, 2013, to adjust the amount of the Note therein authorized to the correct principal amount.

**Section 2.** Section 1 of Ordinance No. 13-733 is hereby amended, effective as of October 1, 2013, to read as follows:

**Section 1.** The Mayor and Council (the “**Council**”) of the City of Friend, Nebraska (the “**City**”) hereby finds and determines:

(a) The City is duly organized and validly existing as a city of the second class and political subdivision of the State of Nebraska (the “**State**”) under Chapter 17, Reissue Revised Statutes of Nebraska, as amended.

(b) It is necessary, desirable, advisable and in the best interests of the City that the City provide an operating line of credit to pay operating expenses incurred at Warren Memorial Hospital (the “**Hospital**”), owned and operated by the City.

(c) The City is authorized pursuant to Section 18-1750, Reissue Revised Statutes of Nebraska, as amended (“**Section 18-1750**”), to borrow money to the amount of 70% of the

unexpended balance of total anticipated receipts (as determined pursuant to Section 18-1750) for the current fiscal year and the following fiscal year.

(d) The City anticipates receipts for the current fiscal year and the following fiscal year of \$464,012.16 from the levying of taxes for the current fiscal year and the following fiscal year, determined pursuant to Section 18-1750.

(e) Based upon the most recent report of the City's Treasurer, the total general fund expenditures from October 1, 2013 to and including the expected date of issuance of the notes herein authorized (the "Closing Date") is \$0.00, leaving an unexpended balance of total anticipated general fund receipts of not less than \$464,012.16.

(f) As of the Closing Date, the City will have \$0.00 outstanding in notes or warrant indebtedness to be paid from the proceeds of the Notes authorized hereby.

(g) It is necessary, desirable, advisable and in the best interest of the City to borrow money and issue its negotiable promissory note as provided under Section 18-1750, in an aggregate principal amount of \$324,808.00.

**Section 3.** Section 2 of Ordinance No. 13-733 is hereby amended, effective as of October 1, 2013, to read as follows:

**Section 2.** (a) For the purpose of paying the costs of certain operating expenses of the Hospital issuing the notes herein authorized, there is hereby ordered issued a promissory note of the City in the principal amount of Three Hundred Twenty-Four Thousand Eight Hundred Eight and no/100 Dollars (\$324,808.00), designated as "Promissory Note, Series 2013" (the "Note"). The Note shall be fully registered as to both principal and interest on the books of the Note Registrar and Paying Agent designated in **Section 3** of this Ordinance (the "Registrar"), bear a Date of Original Issue of the date of execution and delivery thereof, be numbered R-1, be in any denomination, shall mature on the second anniversary of the Date of Original Issue and bear interest, calculated on the basis of a 365-day year and actual days elapsed. The Note shall be in the amount advanced by the Purchaser (hereinafter defined) upon request from the City from time to time up to a maximum principal amount of \$324,808.00, bear interest computed daily on the principal amount from time to time outstanding and unpaid at a rate equal to the Purchaser's base rate for such date minus 1.25%. Interest on the Note is payable on the first anniversary of the Date of Original Issue and at maturity. The outstanding unpaid principal on Note R-1 shall be due and payable at maturity.

Payments of interest due on the Note shall be made by the Registrar by mailing a check or draft on each payment date in the amount due for such interest to the Purchaser at its registered address as shown on the books of registration as required to be maintained in **Section 3** hereof. Payments of principal due at maturity shall be made by the Registrar to the Purchaser upon presentation and surrender of the Note to the Registrar in lawful money of the United States of America. All payments on account of interest or principal made to the Purchaser in accordance with the terms of this Ordinance shall be valid and effectual and shall be a discharge of the City and the Registrar, in respect of the liability upon the Note or claims for interest to the extent of the sum or sums so paid.

**Section 4.** Section 5 of Ordinance No. 13-733 is hereby amended, effective as of October 1, 2013, to read as follows:

**Section 5.** The Note shall be in substantially the following form:

**UNITED STATES OF AMERICA  
STATE OF NEBRASKA  
COUNTY OF SALINE  
CITY OF FRIEND, NEBRASKA  
PROMISSORY NOTE, SERIES 2013**

No. R-1

**\$324,808.00**

<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>
_____, 2013	September 30, 2015	Citizens State Bank Base Rate minus 1.25%

**REGISTERED OWNER:      CITIZENS STATE BANK**

**PRINCIPAL AMOUNT:      THREE HUNDRED TWENTY-FOUR THOUSAND EIGHT  
HUNDRED EIGHT AND NO/100 DOLLARS**

The **CITY OF FRIEND, NEBRASKA** (the “City”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner specified above, or registered assigns, the unpaid Principal Amount then outstanding, not to exceed the Principal Amount specified above, in lawful money of the United States of America on the Date of Maturity specified above with interest on the principal amount outstanding from time to time from the Date of Issue shown above or most recent Interest Payment Date (hereinafter defined), whichever is later, at the interest rate per annum specified above, payable annually on October 1 of each year, commencing October 1, 2014 and at the Date of Maturity (each of such dates an “**Interest Payment Date**”). Such interest shall be computed daily on the then outstanding Principal Amount at the then current Rate of Interest and on the basis of a 365-day year and actual days elapsed. The principal of this Note is payable upon presentation and surrender of the same at the office of the Treasurer of the City, the registrar and paying agent (the “**Registrar**”). Interest on this Note will be paid by check or draft mailed on each Interest Payment Date by the Registrar to the Registered Owner of this Note, as shown on the books of record maintained by the Registrar to such owner’s address as shown on such books and records.

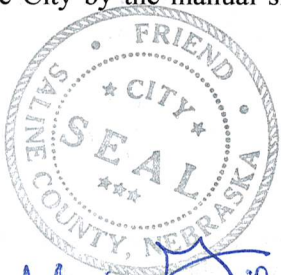
This Note is one of an issue of fully registered Promissory Notes (the “**Notes**”) of the total principal amount of Three Hundred Twenty-Four Thousand Eight Hundred Eight and no/100 Dollars (\$324,808), of even date which were authorized by Ordinance No. 13-733 duly passed and adopted by the Mayor and Council on October 1, 2013 (as amended by Ordinance No. 13-734, the “**Ordinance**”) in strict compliance with the provisions of Sections 18-1750, Reissue Revised Statutes of Nebraska, as amended, for the purpose of providing funds to pay certain expenses of Warren Memorial Hospital, owned and operated by the City. Reference is hereby made to the Ordinance, all of the provisions of which any owner of this Note by its acceptance hereof thereby assents, for a description of the nature and extent of the security for the Notes, the covenants of the City and the taxes, funds and revenues pledged to the payment of the principal of and interest on the Notes. A certified copy of the Ordinance is on file at the office of the Council.

Prepayment of all or any portion of the principal may be made at any time at the option of the City without premium.

The Notes of the series of which this Note is one are issuable as fully registered Notes as provided in the Ordinance. This Note is transferable by the Registered Owner or such owner's attorney duly authorized in writing at the office of the Registrar in Friend, Nebraska upon surrender and cancellation of this Note, and thereupon a new Note or Notes of the same aggregate principal amount, interest rate and maturity will be issued to the transferee as provided in the Ordinance, subject to the limitations therein prescribed. The City, the Registrar and any other person may treat the person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment due hereunder and for all purposes and shall not be affected by any notice to the contrary, whether this Note be overdue or not.

**IT IS HEREBY CERTIFIED AND WARRANTED** that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Note did exist, did happen and were done and performed in regular and due form and time as required by law and that the indebtedness of the City, including this Note, does not exceed any limitation imposed by law. The City agrees that it shall pay the principal of and interest on this Note from the net revenues of Warren Memorial Hospital and to cause to be levied and collected annually a special levy of taxes on all the taxable property in the City to pay the principal of and interest on the Notes as the same become due to the extent such net revenues are insufficient.

**IN WITNESS WHEREOF**, the Mayor and Council have caused this Note to be executed on behalf of the City by the manual signatures of its Mayor and Clerk, all as of the Date of Issue shown above.



ATTEST:

By: [Signature]  
Clerk

**CITY OF FRIEND, NEBRASKA**

By: [Signature]  
Mayor

*[The remainder of this page intentionally left blank]*

**ASSIGNMENT**

**FOR VALUE RECEIVED**, the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
Print or Type Name, Address and Social Security Number  
or other Taxpayer Identification Number of Transferee

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ agent to transfer the within Note on the books kept by the Paying Agent for the registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Note in every particular.

Signature Guaranteed By:

\_\_\_\_\_  
(Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 Ad-15))

By: James W. Vassb  
Title: Mayor

**Section 5.** Without in any way limiting the power, authority, or discretion elsewhere herein granted or delegated, the Council hereby authorizes and directs the Mayor and all other officers, employees, and agents of the City to carry out, or cause to be carried out, and to perform such obligations of the City and such other actions as they, or any one of them shall consider necessary, advisable, desirable, or appropriate in connection with this Ordinance, and the issuance, sale, and delivery of the Note, including, without limitation and whenever appropriate, the execution and delivery thereof and of all other related documents, instruments, certifications, and opinions; and delegates, authorizes, and directs the Mayor the right, power, and authority to exercise his own independent judgment and absolute discretion in determining and finalizing the terms, provisions, form and contents of each of the foregoing. The execution and delivery by the Mayor or by any such other officer, officers, agent or agents of the City of any such documents, instruments, certifications, and opinions, or the doing by them of any act in connection with any of the matters which are the subject of this Ordinance, shall constitute conclusive evidence of both the City's and their approval of all changes, modifications, amendments, revisions, and alterations made therein, and shall conclusively establish their absolute, unconditional, and irrevocable authority with respect thereto from the City and the authorization, approval, and ratification by the City of the documents, instruments, certifications, and opinions so executed and the action so taken.

**Section 6.** If any one or more of the provisions of this Ordinance should be determined by a court of competent jurisdiction to be contrary to law, then such provisions shall be deemed severable from the remaining provisions of this Ordinance and the invalidity thereof shall in no way affect the validity of the other provisions of this Ordinance or of the Note and the owner of the Note shall retain all the rights and benefits accorded to it under this Ordinance and under any applicable provisions of law.

If any provisions of this Ordinance shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid in any particular case in any jurisdiction or jurisdictions, or in all cases because it conflicts with any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstances, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

**Section 7.** Sections 1, 2, and 5 of Ordinance No. 13-733 are hereby repealed in their entirety, effective as of October 1, 2013.

**Section 8.** This Ordinance shall take effect and be in force from and after its passage and publication in pamphlet form as provided by law.

*[The remainder of this page intentionally left blank.]*

DATED: November \_\_, 2013.



ATTEST:

By: *Debbie J. Palmer*  
Clerk

CITY OF FRIEND, NEBRASKA

By: *James W. Vassler*  
Mayor