

RESOLUTION NO. 2026

COUNCIL MEMBER ----- INTRODUCED THE FOLLOWING RESOLUTION

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF BLAIR, NEBRASKA, APPROVING A REPAYMENT PLAN RELATED TO A DEFAULTED LOCAL OPTION MUNICIPAL ECONOMIC DEVELOPMENT PROGRAM LOAN TO PRAIRIE STAR BOTANICALS.

WHEREAS, pursuant to the Nebraska statute, the City of Blair is authorized to disburse certain funds received from the Local Option Municipal Economic Development Program (LB840) for the purpose, and in accordance with requirements, as set forth in the state statutes and regulations; and

WHEREAS, on January 28, 2025, the City entered into a Loan Agreement with Prairie Star Botanicals (the "Borrower") under the Economic Development Program in an amount not to exceed Fifteen Thousand Dollars (\$15,000.00), with performance-based conditions related to capital investment and job creation; and

WHEREAS, the Loan Agreement required the Borrower, among other things, to (a) invest at least Ten Thousand Dollars (\$10,000.00) in equipment outside of the loan within twelve (12) months of the date of the Loan Agreement, and (b) create and maintain at least one (1) new full-time equivalent position at the required wage rate within thirty-six (36) months; and

WHEREAS, the City has determined that the Borrower failed to comply with the required capital investment and job creation provisions of the Loan Agreement, constituting Events of Default under Part VI of the Loan Agreement, including Sections 6.04 (Default in Covenants) and 6.07 (Default in Job Creation and Maintenance); and

WHEREAS, the LB840 Advisory Committee did vote on April 20, 2026 to approve the proposed repayment plan attached as Exhibit "A" that provides for repayment of the full outstanding principal balance of Fifteen Thousand Dollars (\$15,000.00), at zero percent (0%) interest, through monthly payments of One Hundred Twenty-Five Dollars (\$125.00) over a period of one hundred twenty (120) months, commencing June 1, 2026, with a final payment due June 1, 2036, subject to strict compliance with the repayment terms and all remaining provisions of the Loan Agreement; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF BLAIR, NEBRASKA, THAT:

Section 1. The proposed repayment plan dated April 28, 2026, for Prairie Star Botanicals, provides for repayment of the outstanding loan balance of \$15,000.00 at zero percent (0%) interest through monthly payments of \$125.00 beginning June 1, 2026, and ending June 1, 2036, is hereby approved.

Section 2. The Finance Director–Treasurer is authorized and directed to finalize, execute, and administer all acknowledgments, notices, and related documents necessary to implement and

enforce the approved repayment plan, consistent with the terms of the Loan Agreement and applicable law.

Section 3. Approval of this repayment plan does not constitute a waiver of any other rights or remedies available to the City under the Loan Agreement, and the City expressly reserves the right to declare the remaining balance immediately due and payable and to pursue all available remedies in the event of non-compliance by the Borrower.

Section 4. Tthe Mayor and City Council find that approving the proposed repayment plan is in the best interests of the City, promotes responsible stewardship of public funds, and provides an orderly and enforceable method for recovery of the loaned funds

COUNCIL MEMBER _____ MOVED THAT THE RESOLUTION BE ADOPTED AS READ, WHICH SAID MOTION WAS SECONDED BY COUNCIL MEMBER _____. UPON ROLL CALL, COUNCIL MEMBERS _____ VOTING “AYE” AND COUNCIL MEMBERS _____ VOTING ‘NAY”, THE MAYOR DECLARED THE FOREGOING RESOLUTION PASSED AND APPROVED THIS 28th DAY OF APRIL 2026.

MELINDA K. RUMP, MAYOR

ATTEST:

BRENDA WHEELER, CITY CLERK

STATE OF NEBRASKA)
):ss:
WASHINGTON COUNTY)

BRENDA WHEELER hereby certifies that she is the duly appointed, qualified and acting City Clerk of the City of Blair, Nebraska, and that the above and foregoing Resolution was passed and adopted at a regular meeting of the Mayor and City Council of said City held on the 28th day of April 2026.

BRENDA WHEELER, CITY CLERK