

INTERGOVERNMENTAL LOAN AGREEMENT

The City of Marshall ("City"), Missouri, a municipal corporation of the third class, located at 214 N. Lafayette Ave., Marshall, MO 65340, has authorized its Mayor or City Administrator to submit requests to the Board of Public Works of the City of Marshall d/b/a Marshall Municipal Utilities ("MMU"), located at 75 E. Morgan St., Marshall, MO 65340, to borrow funds from MMU for the purpose of demolishing certain structures located at 700 E. Slater St., Marshall, MO 65340, the cost of which has been estimated pursuant to a proposed bid from REMCO Demolition, LLC. The City and MMU have entered into this Intergovernmental Loan Agreement ("Agreement"), by which the City, as authorized by an ordinance of its governing body, shall borrow from MMU up to the sum stated below, and shall repay said sum according to the repayment terms and conditions stated herein:

1. Amount of loan. For value received, City promises to pay to the order of MMU, the principal sum of \$1,700,000.00 plus 10% of said total sum as a contingency ("Maximum Loan Amount"), or so much thereof as may be advanced to, or for the benefit, of City by MMU to create an agreement between City and MMU whereby City may borrow up to the Maximum Loan Amount from MMU; provided, however, that MMU has no obligation to advance or lend City any amounts hereunder and the decision to advance or lend such money lies in the sole and complete discretion of MMU. Said Maximum Loan Amount is based on the estimated costs of demolition provided to City by REMCO Demolition, LLC, for certain structures located at 700 E. Slater St., Marshall, MO 65340.

2. Advances. Advances shall be made at such times and in such amounts as MMU may approve. Said request for advances shall be made by City by as follows. Upon receipt of an invoice for demolition expenses and costs related to the demolition of certain structures located at 700 E. Slater St., Marshall, MO 65340, the City, through its Mayor or the City Administrator, shall submit a request for an advance to the General Manager of MMU and said request for an advance shall be accompanied by an invoice or other appropriate supporting documentation. Upon receiving the request for an advance, MMU shall promptly, at its discretion, advance the funds to the City or pay the funds directly to the vendor or contractor named in the invoice.

3. Interest. Interest shall be charged on unpaid principal until the full amount has been paid. Interest shall be calculated based on the principal balance, as may be adjusted from time to time, to reflect additional advances made hereunder and shall accrue monthly. The loan shall

initially bear interest at the “Current Index,” which shall be defined as the most recent Index value available as of the date this Agreement is entered into, provided that if said rate is less than zero, then the Current Index will be deemed to be zero for purposes of calculating the Current Index. The “Index” is the six-month average yield on United States Treasury securities adjusted to a constant maturity of three years, as made available by the Board of Governors of the Federal Reserve System. So long as there remains an unpaid principal balance, the interest rate shall be adjusted on January 1st and July 1st of each year to the Current Index, which shall be based on the most recent Index value available as of said date of adjustment, provided that if said rate is less than zero, then the Current Index will be deemed to be zero for purposes of calculating the Current Index.

4. Repayment.

- a. *Time of Payments.* Payments from City shall be due on the 15th of each month, beginning on October 15th, 2021. Payments shall be made monthly until the City has paid all of the principal and interest owed under this Agreement. Payments shall be applied to interest before principal. Final payment of principal and interest owed is due on September 15th, 2028.
- b. *Payment Amounts.* Each of City’s monthly payments will vary based on the current balance and the current applied index. Starting October 15th, 2021 MMU will provide the City of Marshall a schedule of monthly payments and these payments will be updated every January and July, or as the principal increases, until the balance is paid in full.

5. City Right to Prepay. City has the right to make payments of principal at any time before they are due. City may make a full prepayment or partial prepayments without paying any prepayment charge. MMU shall use all City prepayments to reduce the amount of principal City owes under this intergovernmental agreement. If City makes a partial prepayment, there shall be no changes in the due dates of City monthly payments unless MMU agrees in writing to those changes. City partial prepayments may reduce the amount of its monthly payments, beginning with the first payment date following its partial prepayment.

6. Scope of Agreement. This agreement comprises the entire agreement of the parties with respect to the matters covered herein, and no agreement, statement, or promise made by any party which is not included herein shall be binding or valid.

7. **Modification.** This agreement may only be modified or amended by a written agreement duly executed by all parties hereto.

8. **Applicable Law.** This agreement shall be governed by the laws of Missouri, and any questions arising under this agreement shall be construed or determined according to such law.

In Witness Whereof, the parties have caused this Agreement to be executed by their duly authorized representatives.

CITY OF MARSHALL, MISSOURI
BOARD OF PUBLIC WORKS

By action at its 4-15-2021 meeting, the Board of Public Works recommends approval of this agreement.



General Manager
Marshall Municipal Utilities

Date 4/15/2021

Approved by the City Council of the City of Marshall by Ord # _____

Mayor, City of Marshall

Date _____

Attest:

City Clerk, City of Marshall

Date _____