

RESOLUTION NO. 18-2024

A RESOLUTION OF CITY OF MADRAS AUTHORIZING AND APPROVING (A) AN EXTENSION TO A CERTAIN LINE OF CREDIT CITY SECURED FROM BANK OF THE CASCADES (NOW OPERATING AS FIRST INTERSTATE BANK), (B) AN ADJUSTMENT TO THE INTEREST RATE ON THE LINE OF CREDIT, AND (C) CERTAIN CITY REPRESENTATIVES TO TAKE ALL NECESSARY ACTIONS AND SIGN ALL NECESSARY DOCUMENTS, CERTIFICATES, INSTRUMENTS, AND/OR AGREEMENTS TO EFFECTUATE THE AFOREMENTIONED.

WHEREAS, on May 26, 2015, City of Madras ("City") adopted Ordinance No. 874 (the "Ordinance"), which Ordinance provided for and authorized the terms under which City obtained a certain Line of Credit (the "Loan") from Bank of the Cascades (now operating as First Interstate Bank ("Bank")) in an initial principal amount of \$500,000.00; and

WHEREAS, the Loan was obtained to facilitate certain redevelopment projects of the Urban Renewal Agency of the City of Madras ("Agency"), acting by and through its Madras Redevelopment Commission ("MRC"); and

WHEREAS, City and Agency are parties to a certain Intergovernmental Agreement – Loan Servicing dated April 14, 2015, as amended, which Agreement concerns the use and repayment of the Loan; and

WHEREAS, by Resolution No. 06-2021, the Madras City Council (the "Council") authorized City to (a) extend the Loan from April 30, 2021 to April 30, 2022, and (b) adjust the interest rate on the Loan from a variable rate based on the prime rate of interest published in the *Wall Street Journal* minus 0.50% to a fixed rate of 2.75%; and (c) confirm the loan amount of \$1,900,000; and

WHEREAS, by Resolution No. 09-2022, the Madras City Council (the "Council") authorized City to (a) extend the Loan from April 30, 2022, to April 30, 2023, and (b) adjust the interest rate on the Loan from a fixed of 2.75%, to a fixed rate of 3.0%; and (c) confirm the loan amount of \$1,900,000; and

WHEREAS, by Resolution No. 05-2023, Madras City Council (the "Council") authorized and approved (a) an extension of the Loan from April 30, 2023, to June 30, 2023, and (b) maintained the fixed interest rate of 3.0%; and (c) confirmed the loan amount of \$1,900,000; and

WHEREAS, by Resolution No. 14-2023, Madras City Council (the "Council") authorized and approved (a) an extension of the Loan from June 30, 2023, to June 30, 2024, and (b) modified the fixed interest rate of 3.0% to a prime rate of interest minus 1.0%; and (c) confirmed the loan amount of \$1,900,000; and

WHEREAS, the Council desires to authorize and approve the following: (a) an extension of the Loan from June 30, 2024 to June 30, 2025; (b) maintain the interest rate of the Loan of prime rate of interest minus 1%; and (c) such agreement(s) required by the Bank to effectuate the Loan modifications identified in this Resolution No. 18-2024 (this "Resolution") and related modifications to the Loan, and all other documents, certificates, instruments, and agreements necessary to effectuate the Loan extension and maintain the interest rate adjustment (individually and collectively, the "Loan Document(s)"); and (d) certain City representatives to take all actions necessary to effectuate the Loan extension and interest rate adjustment, including, without limitation, signing and delivering the Loan Documents.

NOW, THEREFORE, the City of Madras resolves as follows:

1. Findings. The above-stated findings contained in this Resolution are hereby adopted.

2. Loan Extension; Loan Documents. The Council authorizes and approves the following: (a) the extension of the Loan from June 30, 2024 to June 30, 2025; (b) maintain the interest rate of the Loan of a prime rate of interest minus 1.0%; (c) City's share of Bank's loan modification fee, if any; and (d) the Loan Documents, provided, however, the Loan Documents will be subject to the review and approval of the city administrator and city attorney. The Council authorizes, approves, and directs Michael Lepin, as Mayor, Will Ibershof, as City Administrator, and their respective designees to take all actions necessary to effectuate the Loan extension and interest rate adjustment, including, without limitation, signing and delivering the Loan Documents.

3. Miscellaneous. The provisions of this Resolution are severable. All capitalized terms used in this Resolution not otherwise defined herein have the meanings assigned to them in the Ordinance or Agreement (as applicable). If any section, subsection, sentence, clause, and/or portion of this Resolution is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this resolution. This Resolution will be in full force and effect from and after its approval and adoption. This Resolution may be corrected by order of the Council to cure editorial and/or clerical errors.

ADOPTED by the City Council for the City of Madras and signed by the Mayor this 25th day of June, 2024.

Ayes: 4
Nays: 0
Abstentions: 0
Absences: 2
Vacancies: 0



Michael Lepin, Mayor

ATTEST:



Keli Pollock, City Recorder