

**A RESOLUTION OF THE CITY OF LEBANON
AUTHORIZING THE PREPAYMENT AND DEFEASANCE
OF ALL OR A PORTION OF AN OUTSTANDING
SPECIAL PUBLIC WORKS FUND LOAN**

RESOLUTION NO. 2025-04

WHEREAS, the City Council of the City of Lebanon, Linn County, Oregon (the "City") finds:

- A. Pursuant to Oregon Revised Statutes Sections 285B.410 through 285B.482 (the "Act"), the City obtained a loan (the "Loan") from the Oregon Infrastructure Finance Authority of the Oregon Business Development Department (the "Department") pursuant to a Special Public Works Fund Loan Agreement dated on or about March 20, 2009 (the "Loan Agreement") for the purpose of financing improvements to the Airport Industrial Site.
- B. The Department funded the Loan, in part, through the issuance of Oregon Bond Bank Revenue Bonds (the "State Bonds").
- C. On or about April 10, 2018, the City executed a Revised Payment schedule, in the amount of \$1,060,952 (the "Amended Note") to its Revised Promissory Note dated May 27, 2009, issued pursuant the Loan Agreement, which is currently outstanding in the approximate principal amount of \$703,243.
- D. The Loan Agreement and Amended Note provide that the Loan may be prepaid at a price of 100% of par on or after January 1, 2026 (the "Optional Loan Prepayment Date") upon not less than ninety days' notice to the Department and Zions Bancorporation, National Association, as successor trustee (the "Trustee") and that the Loan may be prepaid prior to the Optional Loan Prepayment Date if (i) the City obtains prior written approval of the Department, (ii) an opinion of bond counsel is obtained to the effect that the prepayment will not adversely affect the tax-exemption of the Loan and the State Bonds; (iii) cash and United States Treasury obligations are deposited into an escrow account which, in the opinion of an independent certified public account, are sufficient to pay the principal and interest on the Loan or portion to be prepaid, and (vi) the investment of amounts held in escrow are yield restricted to the extent required by Section 148 of the Internal Revenue Tax Code of 1986, as amended.
- E. The City wishes to prepay and/or defease all or a portion of the Loan.

NOW, THEREFORE, THE COUNCIL OF THE CITY RESOLVES AS FOLLOWS:

Section 1. Prepayment and Defeasance Authorized. The City Council authorizes the City Manager or Finance Director, or the designee of either (the "Authorized Representative"), to act on behalf of the City to call, prepay and defease the Loan with the general funds of the City.

The Authorized Representative is authorized to determine if all or a portion of the Loan will be prepaid and/or defeased and negotiate terms and conditions for the repayment and defeasance of all or a portion of the Loan.

Section 2. Escrow Deposit Agreement. The Authorized Representative is authorized to enter into an Escrow Deposit Agreement for the establishment of an Escrow Deposit Fund if deemed necessary or desirable to complete the prepayment and defeasance.

Section 3. Additional Documents and Authorizations. The Authorized Representative is authorized to:

- (i) Appoint and engage the services of an escrow agent, trustee, financial adviser, independent certified public accountant, verification agent, and any other professionals whose services are desirable for the prepayment and defeasance of the Loan;
- (ii) Execute and deliver a certificate specifying the action taken pursuant to this Resolution, and any other documents, agreements or certificates that the Authorized Representative determines are necessary or desirable to prepay and/or defease all or a portion of the Loan and the related State Bonds; and
- (iii) Perform any and all other things or acts necessary for the prepayment and defeasance of all or a portion of the Loan and the related State Bonds.

Such acts of the Authorized Representative are for and on behalf of and are authorized by the Council of the City.

Section 4. Appointment of Special Counsel. The City appoints Foster Garvey P.C. as special counsel to the City for the prepayment and defeasance of the Loan.

Section 5. Effective Date. This resolution takes effect upon adoption by the Council.

Passed by the Lebanon City Council and executed by the Mayor on this 9th day of April, 2025 by a vote of 5 yeas and 0 nays.

CITY OF LEBANON, OREGON



Kenneth E. Jackola, Mayor

Michelle Steinhebel, Council President

☐

☒

ATTESTED:



Julie Fisher, MMC, City Recorder