IN AND FOR THE CITY OF BROOKINGS
STATE OF OREGON

A RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE CITY OF BROOKINGS, OREGON AUTHORIZING THE ISSUANCE, SALE, EXECUTION AND DELIVERY OF URBAN RENEWAL TAX INCREMENT REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $3,400,000 TO PROVIDE FINANCING FOR PROJECTS WITHIN THE BROOKINGS URBAN RENEWAL AREA; DESIGNATING AUTHORIZED REPRESENTATIVES AND DELEGATING AUTHORITY; APPOINTING BOND COUNSEL AND FINANCIAL ADVISOR; AND OTHER MATTERS.	**RESOLUTION NO. 08-R-892**

WHEREAS, the City Council (the "Council") of the City of Brookings, Oregon (the "City") acting as the Urban Renewal Agency of the City of Brookings, Oregon (the "Agency") is authorized pursuant to Oregon Revised Statutes ("ORS") Chapter 457 to conduct proceedings and to issue tax increment indebtedness for the purpose of financing urban renewal projects authorized under its Urban Renewal Plan (defined below) and located within the Urban Renewal Area (defined below);

WHEREAS, the City enacted Ordinance No. 02-O-551 which approved the Urban Renewal Plan (the "Plan") for the Brookings Urban Renewal Area (the "Urban Renewal Area") on August 12, 2002;

WHEREAS, the Plan establishes a maximum indebtedness of Fifteen Million Eight Hundred and Twenty-Five Thousand Dollars ($15,825,000) to carry out the goals and objectives of the Plan, and as of the date of this Resolution the Agency has incurred $100,000 of indebtedness;

WHEREAS, the Agency intends to undertake certain projects authorized by the Plan and within the Urban Renewal Area and to finance such projects (the "Projects") with the proceeds of tax-exempt tax increment revenue bonds issued by the Agency, in an aggregate principal amount not to exceed $3,400,000, which may be designated "qualified tax-exempt obligations" by the Authorized Representative (as defined below) of the Agency (the "2008 Bonds");

WHEREAS, the Agency may incur expenditures ("Expenditures") to finance the costs of the Projects prior to the issuance of the 2008 Bonds and wishes to declare its official intent to reimburse the Expenditures with the proceeds of the 2008 Bonds;

WHEREAS, Section 1.150-2 of the Treasury Regulations (the "Treasury Regulations") generally permits the reimbursement of the Expenditures with proceeds of the 2008 Bonds only if the Agency has previously declared its official intent to reimburse the Expenditures; and

WHEREAS, the Agency authorizes each of the Chair of the Agency, the City Manager/Executive Director and the Administrative Services Director, each acting singly, or their designee as authorized representatives (each an "Authorized Representative"), to execute and deliver all agreements, certificates and closing documents, including a Master Bond Declaration (as defined below) establishing the terms and conditions relating to the Agency's 2008 Bonds and permitting future Bonds (as defined below) of the Agency secured by Tax Increment Revenues (as defined below).

NOW, THEREFORE, BE IT RESOLVED BY THE AGENCY, as follows:

Section 1. Definitions. In addition to those items defined in the recitals above, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the following meanings for purposes of this Resolution:

"*Bonds*" means tax-exempt and/or taxable tax increment revenue bonds, notes, lines of credit or other contractual undertakings or instruments to repay borrowed moneys issued by the Agency pursuant to the Master Bond Declaration to finance or refinance Projects within the Urban Renewal Area.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Fiscal Year*" means the period beginning July 1 of each year and ending on the next succeeding June 30, or as otherwise defined by the Oregon Revised Statutes.

"*Master Bond Declaration*" means the Master Urban Renewal Tax Increment Revenue Bond Declaration authorized herein and executed by an Authorized Representative in connection with the 2008 Bonds and any future Bonds of the Agency secured by Tax Increment Revenues, as amended or supplemented.

"*Tax Increment Fund*" means a fund or funds established under ORS 457.440 to hold the Tax Increment Revenues.

"*Tax Increment Revenues*" means the ad valorem tax revenues from property within the Urban Renewal Area that are divided based on the increase in value of property in the Urban Renewal Area and that are payable to the Agency under the provisions of Section 1c, Article IX and Section 11(15), Article XI of the Oregon Constitution and Oregon Revised Statutes Chapter 457, as those provisions exist on the date of this Resolution, and all earnings thereon while those Tax Increment Revenues are held in the Tax Increment Fund.

Section 2. Security. The payment of principal of and interest on the 2008 Bonds shall be payable from Tax Increment Revenues and the proceeds of the 2008 Bonds as shall be more fully provided in the Master Bond Declaration. The Agency pledges the Tax Increment Fund to the payment of principal of and interest on the 2008 Bonds as shall be more fully provided in the Master Bond Declaration. The Agency shall also pledge the contents of the debt service reserve fund and the proceeds of the 2008 Bonds to the extent required by the Master Bond Declaration. There shall not be any lien on or security interest granted in the Projects or any other property financed with the proceeds of the 2008 Bonds to secure payment of the 2008 Bonds.

Section 3. Declaration of Official Intent. The Agency hereby declares its official intent to reimburse itself with proceeds of the 2008 Bonds for Expenditures paid by it prior to the issuance of the 2008 Bonds.

Section 4. Delegation for Establishment of Terms and Sale of the 2008 Bonds. The Authorized Representatives, and each of them, are hereby authorized and directed, on behalf of the Agency without further approval to:

(a) select a financial institution through either a negotiated sale or through a competitive bid process to finance the Projects to be paid for from the proceeds of the 2008 Bonds;

(b) establish principal and interest payment dates, principal amounts, optional prepayment provisions, if any, interest rates, premiums and discounts, if any, origination fees, reserve requirements, priority of payment of all obligations issued under the Master Bond Declaration and all other terms for the 2008 Bonds, subject to the aggregate principal amount not to exceed $3,400,000;

(c) negotiate the terms of and execute and deliver a purchase agreement on behalf of the Agency;

(d) negotiate the terms of and execute and deliver the Master Bond Declaration establishing the terms, covenants and provisions for the 2008 Bonds, permitting future Bonds of the Agency secured by Tax Increment Revenues and pledging the Tax Increment Revenues to the repayment of the 2008 Bonds and any future Bonds;

(e) make any covenants necessary or desirable to obtain favorable financing terms on the 2008 Bonds;

(f) enter into covenants regarding the use of the proceeds of the 2008 Bonds and the Projects financed with the proceeds thereof to maintain the tax-exempt status of any of the 2008 Bonds;

(g) designate all or any portion of the 2008 Bonds as "qualified tax-exempt obligations" under Section 265(b) of the Code, if determined by an Authorized Representative to be in the best interest of the Agency and to the extent permitted under the Code; and

(h) execute and deliver a certificate specifying the action taken pursuant to this Section 4, and any other certificates, documents or agreements that any of the Authorized Representatives determine are desirable to execute and deliver the 2008 Bonds in accordance with this Resolution.

Section 5. Appointment of Bond Counsel and Financial Advisor. The Agency hereby appoints Orrick, Herrington & Sutcliffe LLP as Bond Counsel to the Agency for the 2008 Bonds and Seattle-Northwest Securities Corporation as Financial Advisor to the Agency for the 2008 Bonds.

Section 6. Resolution to Constitute Contract. In consideration of the purchase and acceptance of the 2008 Bonds by those who shall own the same from time to time (the "Owners"), the provisions of this Resolution shall be part of the contract of the Agency with the Owners and shall be deemed to be and shall constitute a contract between the Agency and the Owners. The covenants, pledges, representations and warranties contained in this Resolution or in the closing documents executed in connection with the 2008 Bonds, including without limitation the Agency's covenants and pledges contained in Section 2 hereof, and the other covenants and agreements herein set forth to be performed by or on behalf of the Agency shall be contracts for the equal benefit, protection and security of the Owners, all of which shall be of equal rank without preference, priority or distinction of any of such obligations over any other thereof, except as expressly provided in or pursuant to this Resolution.

Section 7. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption by the Agency.

Adopted by Council and effective this 9th day of June, 2008.

Signed this 10th day of June, 2008.

Mayor Larry Anderson

Attest:

City Recorder Joyce Heffington

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