

RESOLUTION NO. 99-830

A RESOLUTION AUTHORIZING THE CITY OF SHERWOOD TO ISSUE WATER REVENUE BONDS UNDER THE UNIFORM REVENUE BOND ACT.

WHEREAS, the City of Sherwood, Oregon (the "City") is authorized to finance costs of water supply and distribution systems for the City (the "Projects") by issuing revenue bonds pursuant to Oregon's Uniform Revenue Bond Act (ORS 288.805 to 288.945) (the "Act"); and,

WHEREAS, the costs of the Projects are estimated to not exceed eighteen million dollars (\$18,000,000); and,

WHEREAS, the City will cause a plan to be prepared showing that the City's estimated net water revenues are sufficient to pay the revenue bonds authorized by this resolution; now therefore, it is hereby

RESOLVED AS FOLLOWS:

Section 1. Revenue Bonds Authorized.

The City hereby authorizes the issuance of not more than eighteen million dollars (\$18,000,000) in aggregate principal amount of water revenue bonds (the "Bonds"). The Bonds may be issued together with the water revenue bonds which the City previously authorized in Resolution No. 95-607 on May 9, 1995. Prior to selling the Bonds the City Council shall establish by resolution or ordinance:

- (1) Whether the Bonds shall be sold at public, competitive bid sale or private negotiated sale;
- (2) The maximum discount to be allowed upon sale of the Bonds;
- (3) The schedule for Bond principal repayment;
- (4) The terms under which additional Bonds may be issued;
- (5) The terms by which Bonds may be redeemed prior to maturity;
- (6) The amount of any reserves to be established for the Bonds and the manner in which the reserves shall be funded;
- (7) The minimum amount of water revenues which the City shall be required to impose to protect the security of the Bondowners;

- (8) The covenants which the City will make with Bondowners regarding operation of the water system and the imposition and collection of water revenues;
- (9) The revenues, reserves and proceeds to be pledged to payment of the Bonds;
- (10) Whether the pledged revenues shall be held by a trustee, and if they are so held, the trustee's duties;
- (11) Whether mortgages or security interests should be granted; and
- (12) Any other terms, conditions or covenants regarding the Bonds, the Projects or the water system revenues which are necessary or desirable to effect the sale of the Bonds.

Section 2. Notice; Procedure.

- (1) No Bonds may be sold, and no purchase agreement for the Bonds may be executed, until at least sixty (60) days after publication of the Notice of Revenue Bond Authorization, which is attached to this resolution as Exhibit "A" (the "Notice"). The Notice shall specify the last date on which petitions may be submitted, and shall be published in at least one newspaper of general circulation in the City in the same manner as are other public notices of the City.
- (2) If petitions for an election, containing valid signatures of not less than five percent (5%) of the City's electors, are received within the time indicated in the Notice, the question of issuing the Bonds shall be placed on the ballot at the next legally available election date. If such petitions are received, the Bonds authorized by this resolution shall not be sold until the question of issuing the Bonds is approved by a majority of the electors of the City who vote on that question.
- (3) The Bonds shall be issued and sold in accordance with the Act.

Section 3. Bonds Not Payable From Taxes.

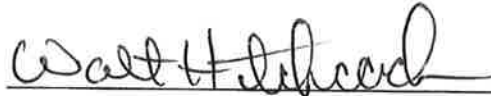
The Bonds shall not be general obligations of the City, nor a charge upon its tax revenues, but shall be payable solely from the water revenues, Bond reserves and any Bond proceeds which the City pledges to payment of the Bonds pursuant to ORS 288.825(1) and Section 1(9) of this resolution.

Section 4. Reimbursement of Costs

- (1) The City may incur expenditures with respect to the Projects prior to the date of delivery of the Bonds. Federal tax law requires an issuer of tax-exempt bonds to declare its intention if the issuer expects to spend its funds on the Projects and later reimburse itself for those expenditures from the proceeds of tax-exempt bonds. The City hereby declares its intention to reimburse expenditures it makes on the Projects from the proceeds of the Bonds.

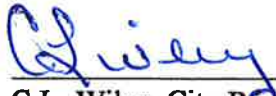
(2) In addition, the City hereby authorizes the Finance Director of the City to make future declarations of the City's official intention to reimburse other city expenditures from the proceeds of tax-exempt obligations.

Duly passed by the City Council this 26th day of October, 1999.



Walt Hitchcock, Mayor

Attest:



C.L. Wiley, City Recorder

EXHIBIT A

Notice of Revenue Bond Authorization

NOTICE IS HEREBY GIVEN that the City Council of the City of Sherwood, Oregon (the "City"), adopted Resolution No. 99-830 on October 26, 1999, authorizing the issuance of water revenue bonds. The bonds will be issued to finance water supply and distribution systems for the City (the "Projects").

The City Council may establish by subsequent resolution all terms, conditions and covenants regarding the bonds, the levels of water revenues which the City will be required to impose and collect and the use of those revenues, and the use and operation of the water system and the Projects to be financed with the bonds, which are desirable to facilitate the sale of the bonds.

The City estimates that the bonds will be issued in an aggregate principal amount of not more than eighteen million dollars (\$18,000,000). Bond principal and interest will be paid solely from the water revenues, bond reserves and bond proceeds which the City pledges to pay the bonds. The bonds will not be general obligations of the City, nor a charge upon its tax revenues.

If written petitions, signed by not less than five percent (5%) of the City's electors, are filed at the Office of the City Recorder on or before December 31, 1999, [insert the 61st day after the date of publication of the notice], the question of issuing the revenue bonds shall be placed on the ballot at the next legally available election date.

The Office of the City Recorder is located at 20 NW Washington Street, Sherwood, Oregon 97140.

The resolution authorizing the bonds is available for inspection at the Office of the City Recorder.

The bonds will be issued and sold under the Uniform Revenue Bond Act (ORS 288.805 to 288.945); this Notice is published pursuant to ORS 288.815(6).

**BY ORDER OF THE CITY COUNCIL OF THE
CITY OF SHERWOOD, OREGON.**