



Resolution 2002-042

A RESOLUTION APPROVING THE BORROWING FOR ACQUISITION OF NEWNES BUILDING AND PROPERTY

WHEREAS, the City of Sherwood (the "City") is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance real or personal property which the City Council determines is needed; and,

WHEREAS, the City has an opportunity to purchase the Newnes Building and the related property and improve the building to be used as a public works building for the City and a field house; and,

WHEREAS, the City Council hereby determines that a public works building and field house are needed, and that it is desirable to finance the acquisition of the Newnes Building and the related real property (the "Project") pursuant to ORS 271.390; now, therefore, it is hereby

NOW, THEREFORE, THE CITY RESOLVES AS FOLLOWS:

Section 1. Loan Agreement Authorized.

The City is hereby authorized to enter into a loan agreement in an aggregate principal amount of not more than \$1,900,000 (the "Loan Agreement"). Loan proceeds shall be used to finance the Project and related expenses and pay costs associated with the Loan Agreement. The City Manager or the City Finance Director (collectively the "City Official") are hereby authorized, on behalf of the City and without further action by the City Council, to:

- (1) Determine the final principal amount, interest rates, prepayment rights and all other terms of the financing;
- (2) Negotiate, execute and deliver the Loan Agreement with a commercial bank (the "Loan Agreement") for the purposes described in this resolution. Subject to the limitations of this resolution, the Loan Agreement may be in such form and contain such terms as the City Official may approve;
- (3) Covenant for the benefit of the lender to comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code") which are required for the interest paid under the Loan Agreement to be excluded from gross income for federal income tax purposes; and

- (4) Designate the Loan Agreement as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code; and
- (5) Execute and deliver any other certificates or documents and take any other actions which the City Official determines are desirable to carry out this resolution.
- (6) Security.

The Loan Agreement shall constitute an unconditional obligation of the City, which is payable from all legally available funds of the City. The City Official may pledge the City's full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution, and any and all of the City's legally available funds, to make the payments due under the Loan Agreement.

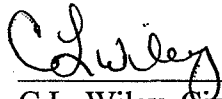
Duly passed by the City Council this 13th day of August, 2002.

City of Sherwood
Washington County, Oregon



Mark G. Cottle, Mayor

Attest:



C.L. Wiley, City Recorder