



Resolution 2004-005

A RESOLUTION APPROVING A FINANCING AGREEMENT FOR COSTS OF ACQUIRING AND DEMOLISHING A BUILDING IN OLD TOWN

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 Council hereby determines that the acquisition and demolition of the building at the corner of Railroad and Washington Streets in Sherwood (the “Project”) is needed; and,

WHEREAS, the costs of the financing are expected to be paid by the City’s urban renewal agency from tax increment revenues;

NOW, THEREFORE, THE CITY RESOLVES AS FOLLOWS:

Section 1. Financing Agreement Authorized.

The City is hereby authorized to enter into a Financing Agreement in an aggregate principal amount of not more than \$350,000 (the “Financing Agreement”). Proceeds of the Financing Agreement shall be used to pay for costs of the Project and to pay costs associated with the Financing 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 Agreement.
- (2) Negotiate, execute and deliver the Financing Agreement with Bank of America, N.A. (the “Bank”) for the purposes described in this resolution. Subject to the limitations of this resolution, the Financing Agreement may be in such form and contain such terms as the City Official may approve.
- (3) Covenant to comply with the applicable provisions of the Internal Revenue Code of 1986, as amended, (the “Code”) so that interest on the Financing Agreement is excludable from gross income under the Code, and designate the Financing Agreement as a “qualified tax-exempt obligation” under Section 265 of the Code.

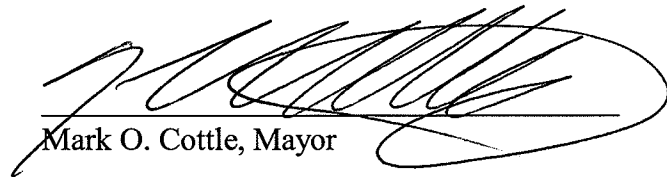
- (4) Enter into an intergovernmental agreement with the Urban Renewal Agency of the City of Sherwood that obligates the agency to pay to the City the amounts the City will be required to pay to the Bank under the Financing Agreement.
- (5) Execute and deliver any other certificates or documents and take any other actions which the City Official determines are desirable to carry out this resolution.

Section 2. Security.

The Financing Agreement shall constitute an unconditional obligation of the City, which shall be 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 Financing Agreement. The City Official may also pledge the amounts due to the City under the intergovernmental agreement with the Urban Renewal Agency of the City of Sherwood that is authorized by Section 1(4) of this resolution.

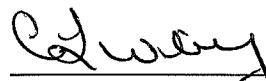
Section 3: This Resolution shall be effective upon its approval and adoption.

Duly passed by the City Council this 13th day of January 2004.



Mark O. Cottle, Mayor

ATTEST:



C.L. Wiley, City Recorder