



Resolution 2004-010

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERWOOD, OREGON AUTHORIZING THE SALE OF THE CITY'S GENERAL OBLIGATION REFUNDING BONDS, 2004 SERIES A AND GENERAL OBLIGATION REFUNDING BONDS, 2004 SERIES B.

WHEREAS, the City of Sherwood (the "City") has previously issued its General Obligation Bonds, 1996 Series A dated November 1, 1996 and its General Obligation Bonds, 1996 Series B dated November 1, 1996 (collectively, the "Refundable Bonds").

WHEREAS, the Refundable Bonds bear interest at rates that are higher than current market rates and the City may be able to reduce debt service costs by issuing general obligation refunding bonds to refund and replace the Refundable Bonds.

WHEREAS, ORS 288.592 authorizes the City to issue general obligation bonds to refund outstanding general obligation bonds under ORS 288.605 to 288.695 if the refunding is approved by the Oregon State Treasury.

WHEREAS, the City wishes to reduce the cost of debt service to the City's taxpayers by issuing general obligation bonds to refund the Refundable Bonds.

WHEREAS, a notice of public hearing was published on July 10, 2003, which was at least fourteen days prior to the hearing, in a newspaper of general circulation pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code") regarding the issuance of tax-exempt refunding bonds to refund the General Obligation Bonds, 1996 Series A which were issued as qualified 501(c)(3) bonds.

WHEREAS, the public hearing was held before the City Accounting Clerk, Barbara Henkes, on July 28, 2003 in accordance with Section 147(f) of the Code and no one attended the hearing to testify.

WHEREAS, this Council has considered the results of the hearing.

NOW, THEREFORE, THE CITY RESOLVES AS FOLLOWS:

Section 1. Approval Pursuant to Section 147(f) of the Code. The Council approves of the issuance of tax-exempt bonds to refund the General Obligation Bonds, 1996 Series A which were issued as qualified 501(c)(3) bonds.

Section 2. **Refunding Plan.** The City is hereby authorized to submit an advance refunding plan for all or any portion of the Refundable Bonds.

Section 3. **Bonds Authorized.** The City is hereby authorized to refund all or any portion of the Refundable Bonds, and to issue, sell and deliver its General Obligation Refunding Bonds, 2004 Series A and General Obligation Refunding Bonds 2004 Series B (“2004 Bonds”) in principal amounts which do not exceed the principal amounts necessary to refund the Refundable Bonds and to pay costs of issuing each series of 2004 Bonds. However, the City shall not issue the 2004 Bonds unless each series of 2004 Bonds reduces debt service and the refunding is approved by the Oregon State Treasury.

Section 4. **Delegation.** If the City Manager or the City Finance Director or the person designated by the City Manager or the City Finance Director to act on behalf of the City pursuant to this Resolution (the “City Official”) determines to issue the 2004 Bonds, the City Official is hereby directed, on behalf of the City and without further action by the Council, to:

- (1) Participate in the preparation of, authorize the distribution of, and deem final any official statement or other disclosure documents relating to each series of 2004 Bonds.
- (2) Establish the final principal amounts, maturity schedules, interest rates, sale prices and discount, prepayment terms, payment terms and dates, and other terms of each series of 2004 Bonds.
- (3) Execute and deliver a bond declaration for each series of 2004 Bonds, specifying the terms under which each series of 2004 Bonds are issued, and making covenants for the benefit of owners of each series of 2004 Bonds, including covenants to protect the tax-exempt status of each series of 2004 Bonds.
- (4) Negotiate the terms of the sale of each series of 2004 Bonds, and sell that series to Banc of America Securities LLC.
- (5) Undertake to provide continuing disclosure for each series of 2004 Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.
- (6) Apply for ratings for each series of 2004 Bonds, determine whether to purchase municipal bond insurance or obtain other forms of credit enhancements for each series of 2004 Bonds, enter into agreements with the providers of credit enhancement, and execute and deliver related documents.
- (7) Engage a verification agent and an escrow agent, enter into one or more escrow deposit agreements, and deposit the proceeds of each series of 2004 Bonds pursuant to the escrow deposit agreements.
- (8) Defease and call for redemption any of the Refundable Bonds that are refunded by each series of 2004 Bonds.
- (9) Execute and deliver each series of 2004 Bonds to their purchaser.
- (10) Execute and deliver any agreements or certificates and take any other action in connection with each series of 2004 Bonds which the City Official finds is desirable to permit the sale and issuance of that series of 2004 Bonds in accordance with this Resolution.

Section 5. Security for 2004 Bonds. Each series of 2004 Bonds shall be general obligations of the City, and the full faith and credit of the City are hereby pledged to pay each series of 2004 Bonds when due. The City covenants for the benefit of the owners of each series of 2004 Bonds that the City shall levy annually, as provided by law, in addition to its other ad valorem property taxes and outside the limitations of Sections 11 and 11b of Article IX of the Oregon Constitution, a direct ad valorem tax upon all of the taxable property within the City in sufficient amount, after considering discounts taken and delinquencies that may occur in the payment of taxes, to pay each series of 2004 Bonds promptly as they mature. The City covenants with the owners of each series of 2004 Bonds to levy such a tax annually during each year that any bonds of such series of 2004 Bonds is outstanding.

Section 6. Tax-Exempt Status. The City covenants to use the proceeds of each series of 2004 Bonds, and to otherwise comply with the provisions of the Code, so that interest paid on each series of 2004 Bonds will not be includable in the gross income of the owners of such series of 2004 Bonds. The City Official may enter into additional covenants on behalf of the City to protect the tax-exempt status of each series of 2004 Bonds.

Section 7. Form. Each series of 2004 Bonds shall be in substantially the form attached hereto as Appendix A, with such changes as may be approved by the City Official. Each series of 2004 Bonds shall be executed on behalf of the City with the facsimile signatures of the Mayor and City Manager-Recorder.

Section 8. This Resolution shall be effective upon its approval and adoption

Duly passed by the City Council this 27th day of January, 2004.


Mark O. Cottle, Mayor

ATTEST:


C.L. Wiley, City Recorder

EXHIBIT A
(Form of 2004 Bond)

No. 1

\$ _____

United States of America
State of Oregon
County of Washington
City of Sherwood
General Obligation Refunding Bonds
2004 Series _

Dated Date: _____

Interest Rate Per Annum: «CouponRate»%

Maturity Date: _____, «MaturityYear»

CUSIP Number: «CUSIPNumbr»

Registered Owner: -----Cede & Co.-----

Principal Amount: -----«PrincipalAmtSpelled» Dollars-----

The City of Sherwood, in Washington County, Oregon (the "City"), for value received, acknowledges itself indebted and hereby promises to pay to the Registered Owner hereof, or registered assigns, the Principal Amount indicated above on the Maturity Date indicated above together with interest thereon from the date hereof at the Interest Rate Per Annum indicated above, computed on the basis of a 360-day year of twelve 30-day months. Interest is payable semiannually on the first day of _____ and the first day of _____ in each year until maturity or prior redemption, commencing _____ 1, 200_. Payment of each installment of principal or interest shall be made on the payment date to the Registered Owner hereof whose name appears on the registration books of the City maintained by the City's paying agent and registrar, which is currently _____ (the "Registrar"), as the Registered Owners appear on the registration books as of the close of business on the fifteenth (15th) day of the calendar month immediately preceding the applicable interest payment date. For so long as this Bond is subject to a book-entry-only system, principal and interest payments shall be paid on each payment date to the nominee of the securities depository for the Bonds. On the date of issuance of this Bond, the securities depository for the Bonds is The Depository Trust Company, New York, New York, and Cede & Co. is the nominee of The Depository Trust Company. Such payments shall be made payable to the order of "Cede & Co."

This Bond is one of a duly authorized series of bonds aggregating \$ _____ in principal amount designated as General Obligation Refunding Bonds, 2004 Series _ (the "Bonds"). The Bonds are issued to refund the outstanding principal amount of the City's General Obligation Bonds, 1996 Series _. The Bonds are issued under and pursuant to Resolution No. _____ of the City adopted on January 27, 2004 and a Bond Declaration executed pursuant to that resolution (the "Declaration"). The Bonds are issued in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon and the Charter of the City.

The Bonds constitute valid and legally binding obligations of the City. The full faith and credit of the City are pledged for the punctual payment of the principal of and interest on the Bonds. The City has pledged and is obligated by law to provide for the levy and collection annually of ad valorem taxes without limitation as to rate or amount on all taxable property within the boundaries of the City to pay the principal of and interest on the Bonds. The Bonds do not constitute a debt or indebtedness of Washington County, the State of Oregon, or any political subdivision thereof other than the City.

The Bonds are initially issued as a book-entry-only security issue with no certificates provided to the beneficial owners. Records of ownership of beneficial interests in the Bonds will be maintained by The Depository Trust Company and its participants.

Should the book-entry-only system be discontinued, the Bonds shall be issued in the form of registered Bonds without coupons in denominations of \$5,000 or any integral multiple thereof. Such Bonds may be exchanged for Bonds of the same aggregate principal amount, interest rate and maturity date, but different authorized denominations, as provided in the Declaration.

The Bonds shall mature and be subject to redemption as described in the Final Official Statement for the Bonds which is dated _____, 2004.

Unless the book-entry-only system is discontinued, notice of any call for redemption shall be given as required by the Blanket Issuer Letter of Representations to The Depository Trust Company, as referenced in the Declaration. Interest on any Bond or Bonds so called for redemption shall cease on the redemption date designated in the notice. The Registrar will notify The Depository Trust Company promptly of any Bonds called for redemption not less than 30 days prior to the date fixed for redemption. If the book-entry-only system is discontinued, notice of redemption shall be given by first-class mail, postage prepaid, not less than thirty days nor more than sixty days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the bond register; however, any failure to give notice shall not invalidate the redemption of the Bonds. All Bonds called for redemption shall cease to bear interest from the date designated in the notice.

Any exchange or transfer of this Bond must be registered, as provided in the Declaration, upon the bond register kept for that purpose by the Registrar. The exchange or transfer of this Bond may be registered only by surrendering it, together with a written instrument of exchange or transfer which is satisfactory to the Registrar and which is executed by the registered owner or duly authorized attorney. Upon registration, a new registered Bond or Bonds, of the same series and maturity and in the same aggregate principal amount, shall be issued to the transferee as provided in the Declaration. The City and the Registrar may treat the person in whose name this Bond is registered on the bond register as its absolute owner for all purposes, as provided in the Declaration.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form, and manner as required by the Constitution and Statutes of the State of Oregon and the Charter of the

City; and that the issue of which this Bond is a part, and all other obligations of the City, are within every debt limitation and other limit prescribed by such Constitution and Statutes and City Charter; and that the City has covenanted to levy a tax upon all taxable property within the City in an amount sufficient, with other available funds, to pay when due the interest on and the principal of the Bonds.

IN WITNESS WHEREOF, the Council of the City of Sherwood, Oregon, has authorized this Bond to be signed by the facsimile signatures of its Mayor and City Manager-Recorder as of the ____ day of _____.

City of Sherwood, Oregon

Mayor

City Manager-Recorder

THIS BOND SHALL NOT BE VALID UNLESS PROPERLY AUTHENTICATED BY THE REGISTRAR IN THE SPACE INDICATED BELOW.

This Bond is one of a series of \$ _____ aggregate principal amount of City of Sherwood, Oregon General Obligation Refunding Bonds, 2004 Series __, issued pursuant to the Declaration described herein.

Date of authentication: _____, 2004.

, as Registrar

Authorized Officer

ASSIGNMENT
FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Please insert social security or other identifying number of assignee)
this Bond and does hereby irrevocably constitute and appoint _____ as attorney to transfer this Bond on the books kept for registration thereof with the full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of this Bond in every particular, without alteration or enlargement or any change whatever.

NOTICE: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company

Signature Guaranteed

(Bank, Trust Company or Brokerage Firm)

Authorized Officer

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM -- tenants in common
- TEN ENT -- as tenants by the entireties
- JT TEN -- as joint tenants with right of survivorship and not as tenants in common

OREGON CUSTODIANS use the following
_____ CUST UL OREG _____ MIN
as custodian for (name of minor)
OR UNIF TRANS MIN ACT
under the Oregon Uniform Transfer to Minors Act

Additional abbreviations may also be used though not in the list above.