



Resolution 2005-077

A RESOLUTION OF THE CITY OF SHERWOOD, OREGON AUTHORIZING LINES OF CREDIT IN AN AMOUNT OF NO MORE THAN \$10,000,000 TO FINANCE WATER RIGHTS AND WATER SYSTEM IMPROVEMENTS.

WHEREAS, the City of Sherwood, Oregon (the “City”) is authorized to borrow money by entering into lines of credit under ORS 288.165; and

WHEREAS, the City desires to obtain one or more lines of credit in an aggregate amount of no more than \$10,000,000 to finance water rights and water system improvements;

NOW, THEREFORE, THE CITY RESOLVES AS FOLLOWS:

Section 1. Authorization of Lines of Credit.

The City is hereby authorized to obtain interim financing for up to \$10,000,000 of the costs of water rights and water system improvements by entering into one or more lines of credit (the “Lines of Credit”) pursuant to ORS 288.165. The Lines of Credit shall have an initial term of no more than five years and the aggregate principal amount outstanding at any time under all Lines of Credit authorized by this resolution shall not exceed \$10,000,000.

Section 2: Security for Borrowings.

The City may pledge its full faith and credit and its taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to secure the Lines of Credit. In addition, the City may secure the Lines of Credit with a pledge of the proceeds of any borrowings to refinance the Lines of Credit.

Section 3: Delegation.

The City Manager, the Finance Director, or the person designated by the City Council to act on behalf of the City under this resolution (each of whom is referred to in this resolution as a “City Official”) may, on behalf of the City and without further action by the Council:

Select one or more commercial banks to provide the Lines of Credit and negotiate the terms of the Lines of Credit with those banks, subject to the limits in Section 1 of this resolution;

Enter into covenants to comply with the requirements of the United States Internal Revenue Code of 1986, as amended (the "Code") so that interest paid on the Lines of Credit will be excludable from gross income under Section 103(a) of the Code;

Designate the Lines of Credit as "qualified tax-exempt obligations" under Section 265(b) of the Code;

Make draws under the Lines of Credit;

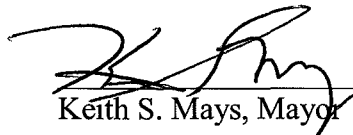
Amend the Lines of Credit to extend their maturities or alter their terms; and,

Execute the Lines of Credit and any closing certificates or other documents, close the Lines of Credit, apply funds obtained through the Lines of Credit to pay the costs described in Section 1 of this resolution, and take any other action in connection with the Lines of Credit which the City Official finds is desirable to carry out this resolution.

Section 4: Effective Date.

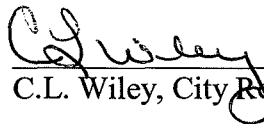
This resolution shall take effect on the date of its approval by the Council.

Dated this 6th day of December, 2005.



Keith S. Mays, Mayor

ATTEST:



C.L. Wiley, City Recorder