



RESOLUTION 2009-024

A RESOLUTION AUTHORIZING A FULL FAITH AND CREDIT BORROWING TO FINANCE EXPENDITURES FOR THE CITY OF SHERWOOD'S STORM UTILITY

THE CITY COUNCIL OF THE CITY OF SHERWOOD, OREGON, FINDS AS FOLLOWS:

A. The City is authorized by Oregon Revised Statutes ("ORS") Section 271.390 to enter into financing agreements to finance or refinance real or personal property that the City Council determines is needed.

B. The City has identified a need to finance capital expenditures to the City's storm utility (the "Project").

C. The City Council hereby determines that the Project is needed, and that it is desirable to finance the Project pursuant to ORS 271.390.

NOW, THEREFORE, BE IT RESOLVED by the Sherwood City Council that:

Section 1. Loan Agreement Authorized.

The City is hereby authorized to enter into a financing or loan agreement in an aggregate principal amount of not more than \$500,000 (the "Loan Agreement") pursuant to ORS 271.390. Loan proceeds shall be used to finance the Project and to pay costs associated with the Loan Agreement. The City Manager, 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") is hereby authorized, on behalf of the City and without further action by the City Council, to:

- (1) Determine the final principal amount, interest rates, payment dates, prepayment rights and all other terms of the financing; and
- (2) Execute and deliver a note to evidence amounts due under the Loan Agreement; and
- (3) Select a commercial bank with which to negotiate, execute and deliver the Loan Agreement. 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; and
- (4) Covenant for the benefit of the lender to comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code") that are required for the interest paid under the Loan Agreement to be excluded from gross income for

federal income tax purposes or determine that the interest earned on the Loan Agreement will be excluded from gross income for federal income tax purposes; and

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

Section 2. 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.

Section 3. Reimbursement.

The City anticipates incurring expenditures to finance the costs of the Project, including costs of property and other improvements and wishes to declare its official intent to reimburse itself for any expenditures the City may make from its own funds on the Project from the proceeds of bonds or other obligations, the interest on which shall be excluded from gross income under Section 103 of the Code.

Section 4. Effective Date.

This Resolution shall take effect immediately.

DATED this 17th day of March, 2009.

City of Sherwood
Washington County, Oregon



Keith Mays, Mayor

Attest:



Sylvia Murphy, City Recorder