

**URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING AGENDA**

Tuesday, May 20, 2008
Following the City Council Meeting

City of Sherwood City Hall
22560 SW Pine Street
Sherwood, Oregon

1. CALL TO ORDER

2. ROLL CALL

3. CONSENT AGENDA

A. Approval of May 6, 2008 URA Board Meeting Minutes

4. NEW BUSINESS

A. URA Resolution 2008-013 Authorizing the borrowing of \$7,065,000 for URA Projects (Christina Shearer, Finance Director)

B. URA Resolution 2008-014 Approving Façade Grant for Lavender Tea House
(Tom Nelson, Economic Development Manager)

5. STAFF REPORTS

6. ADJOURN

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING MINUTES**

May 6, 2008

REGULAR MEETING

1. CALL TO ORDER: Chair Keith Mays called the URA Board meeting to order at 7:43 pm.

2. BOARD PRESENT: Chair Keith Mays, Board members Dave Heironimus, Linda Henderson, Dan King, Dave Luman and Lee Weislogel. Vice Chair Dave Grant was absent.

3. STAFF & LEGAL PRESENT: City Manager Ross Schultz, Assistant City Manager Jim Patterson, Police Chief Jeff Groth, Finance Director Christina Shearer and District Recorder Sylvia Murphy. City Attorney Paul Elsner.

Chair Mays mentioned there was an amendment to the agenda, under New Business, Item B URA Resolution 2008-013 was removed and will not be addressed this evening.

4. CONSENT AGENDA

A. Approval of April 15, 2008 URA Board Meeting Minutes

MOTION: FROM MR. DAVE HEIRONIMUS TO APPROVE THE CONSENT AGENDA SECONDED BY MR. LEE WEISLOGEL, APPROVED BY ALL MEMBERS PRESENT.

Chair Mays addressed the next agenda item.

5. NEW BUSINESS

A. URA Resolution 2008-012 approving a Façade Grant application for Smockville Station Antiques

City Manager Ross Schultz explained Tom Nelson, Economic Development Manager was not present this evening and was attending an out of state conference. Mr. Schultz stated the Smockville Façade Grant dollar amount was more than other previously granted façade grants as the building fronts two different streets and the owner plans on improving both sides.

Ms Linda Henderson asked what has been the largest Façade Grant granted.

DRAFT

Assistant City Manager Jim Patterson stated to correct the record; we have given a Façade Grant in the total amount of \$30,000, the Lundy Building which is located next to the flower shop and Rainbow Market because that building had facades on both Washington St. & Railroad, they also qualified for the \$30,000 maximum grant and this is a similar case.

Mr. Patterson explained Smockville Station Antiques has entries on 1st Street and Washington and was eligible for up to \$15,000 matching grant for each side.

Chair Mays asked for other question of staff.

Mr. Dave Heironimus asked if it was going to look much different from the current appearance. Mr. Patterson replied, this is the classic façade grant request we are looking for and the building owner has recognized it does need some repair as there are safety issues (wood sections installed in fear that things would fall out of the windows). The repairs will include new windows, new brick work and will be a nice improvement to the building and not a dramatic change.

Chair Mays asked if the neighboring property to the right was included in the improvements. Mr. Patterson replied no it's not part of this project and they have not approached the City at this time for improvements.

Chair Mays asked for other questions for staff, with none heard Ms. Linda Henderson motioned.

MOTION: FROM MS. LINDA HENDERSON TO ADOPTED URA RESOLUTION 2008-012, SECONDED BY MR. LEE WEISLOGEL, APPROVED BY ALL MEMBERS PRESENT.

Chair Mays thanked the Board & staff and adjourned.

6. ADJOURNED: Chair Mays adjourned the URA Board of Directors meeting at 7:50pm.

Submitted by:

Approved:

Sylvia Murphy, District Recorder

Keith S. Mays, Chairman

URA Board Meeting Date: May 20, 2006

Agenda Item: New Business

TO: Sherwood Urban Renewal Agency Board of Directors

FROM: Christina Shearer, Finance Director

SUBJECT: URA Resolution 2008-013 of the Urban Renewal Agency of the City of Sherwood, Oregon approving interim financing.

ISSUE: **Should the Board authorize the Urban Renewal Manger to obtain a line of credit for Urban Renewal District Projects?**

BACKGROUND: The Urban Renewal Agency has a number of projects it wishes to commence including the purchase of the Cannery Site (Resolution 2008-002) and the Machine Shop adjacent to the Cannery (Resolution 2008-010), and participation in the development of a stable, long-term water supply. These projects total \$7,065,000.

FINDINGS: Staff has looked into financing options for these purchases, as well as other capital investment plans within the district and selected a line of credit as the most cost effective method of financing. A line of credit allows the District to take advantage of favorable short term financing rates while accomplishing purchases in a timely manner. The alternative would be to request a larger funding, either bank financing or a bond. Large bank financings and bonds are best used when the amount of the financing is well defined and the proceeds will be used immediately. Lines of credit allow the District to make draws only when necessary, resulting in interest savings.

RECOMMENDATION: **Authorize the Urban Renewal Agency Manager to enter into the interim financing agreement per URA Resolution 2008-013.**



URA RESOLUTION 2008-013

A RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE CITY OF SHERWOOD, OREGON APPROVING INTERIM FINANCING IN THE MAXIMUM AMOUNT OF \$7,065,000 TO FINANCE URBAN RENEWAL PROJECTS IN THE SHERWOOD URBAN RENEWAL AREA

WHEREAS, the Urban Renewal Agency of the City of Sherwood (the "Agency") is authorized by ORS Chapter 457 to incur indebtedness to finance urban renewal projects in the Sherwood Urban Renewal Area (the "Area"); and,

WHEREAS, the Agency's Urban Renewal Plan (the "Plan") establishes a maximum indebtedness for the Area of \$35,347,600; and,

WHEREAS, incurring additional indebtedness of \$7,065,000 will not cause the Area to exceed its maximum indebtedness; and,

WHEREAS, Bank of America, N. A. (the "Bank") has submitted a proposal to provide the interim financing that is attached to this resolution as Exhibit 1; now, therefore, it is hereby

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SHERWOOD URBAN RENEWAL AGENCY:

Section 1. Interim Financing Authorized.

The Agency is hereby authorized to enter into a line of credit or similar interim financing agreement (a "Line") with the Bank in a maximum principal amount of \$7,065,000, substantially in accordance with the Bank's proposal that is attached to this resolution as Exhibit A, but with such changes as the Urban Renewal Agency Manager or the Urban Renewal Agency Finance Director (each of whom is referred to in this resolution as an "Agency Official") may approve.

Section 2. Security.

The Line shall be a special obligation of the Agency that is payable solely from the tax increment revenues of the Area, the proceeds of any future borrowing to refinance the Line, and any unexpended proceeds of the Line.

Section 3. Delegation.

Each Agency Official is hereby authorized, on behalf of the Agency and without further action by the governing body of the Agency, to:

- (1) Establish the final principal amount, maturity schedule, interest rates, redemption terms, and other terms of the Line;
- (2) Negotiate the terms of, and execute and deliver, the Line and any documents that the Agency Official determines are desirable to obtain the Line;
- (3) Covenant to protect the excludability of interest on the Line from gross income under the Code, and designate the Line as a “qualified tax-exempt obligation” under Section 265 of the Code;
- (4) Take any other action in connection with the Line which is consistent with this resolution and which the Agency Official finds will be advantageous to the Agency.

Duly passed by the URA District Board this 20th day of May 2008.

Keith S. Mays, Board Chair

Attest:

Sylvia Murphy, District Recorder

URA Board Meeting Date: May 20, 2008

Agenda Item: New Business

To: Sherwood Urban Renewal Agency

From: Tom Nelson, Economic Development Manager

SUBJECT: URA Resolution 2008-014 Lavender Tea House Façade Grant

Issue

Should the Sherwood Urban Renewal District Board approve a Façade Grant for Jamie Yang, owner of the building housing Lavender Tea House?

Background

On May 12, 2008 an application was submitted by Jamie Yang, the owner of the building housing Lavender Tea House in Old Town for a Façade Grant. The total estimated project cost is over \$255,000. The applicant requested consideration for a \$15,000 grant. To facilitate the construction schedule and the timeliness of the request, SURPAC members were polled via email and responded with a recommendation to the District Board to approve the requested Façade Grant.

This program will allow any property owner who uses their building in Old Town for retail or commercial endeavors, a source of matching funds, fifty percent (50%) of the overall project cost, up to \$15,000 for each façade, from the district.

Financial Analysis

Sufficient funds are available in the Façade Grant Program to honor this request. The applicant must submit a bill for work completed before any re-imbusement will be authorized.

Recommendation

MOTION TO APPROVE THE URA Resolution 2008-014, a Resolution authorizing the District Board to award a Façade Grant to Jamie Yang for the exterior improvements to the façade of the building located at 16227 SW 1st, Street, Lavender Tea House.



URA RESOLUTION 2008-014

A RESOLUTION APPROVING A FAÇADE GRANT FOR Jamie Yang, OWNER OF THE BUILDING HOUSING LAVENDER TEA HOUSE

WHEREAS, the Urban Renewal District created the Façade Grant Program by URA Resolution 2003-001 in January 2003 and adopted amendments to the program in May 2004; and

WHEREAS, Jamie Yang, building owner, representing the building housing Lavender Tea House located at 16227 SW 1st Street, Sherwood, Or, has submitted an application for a grant shown as Exhibit A to this document; and

WHEREAS, the Sherwood Urban Renewal Planning and Advisory Commission (SURPAC) concurs with the application and recommended approval.

NOW, THEREFORE, THE URBAN RENEWAL DISTRICT BOARD RESOLVES AS FOLLOWS:

The District Administrator is authorized to grant \$15,000 in accordance to the terms and conditions to the Façade Grant Program.

Duly passed by the City of Sherwood Urban Renewal District this 20th day of May 2008.

Keith S. Mays, Board Chair

ATTEST:

Sylvia Murphy, District Recorder



City of
Sherwood
Oregon

Home of the Tualatin River National Wildlife Refuge

Old Town Facade Program Grant Application

Date of Application: 5-12-08 SURPAC Review Date: _____

Business Information

Mio Passione Ilc dba Lavender Tea House
Name of Business

16227 SW 1st St Sherwood, OR 97140
Physical Business Address

21146 NW Galice Lane, Portland, OR 97229
Mailing Address (if different from physical address)

503.625-4479 Business Phone lavendertehouse.com Web site
Business Fax

Jamie Yang
Business Owner(s) Name(s)

16227 SW 1st St, Sherwood, OR 97140 Address of Property to be Improved 503-625-4479 Phone

Jamie Yang Application being submitted by 971-570-4288 Phone lavendertehouse@yahoo.com E-mail

Project Information

Please describe scope of project. Attach quote, photos or other information as appropriate. (Please attach additional sheets as required).

Remodel + expand the existing Lavender Tea House. The remodel + expansion will include updating foundation, electrical, plumbing, removing substandard structures added within the last 50 yrs, and expanding the size of building.

Est. Project Start Date: June 9th, 2008 Est. Project Completion Date: Sept. 08

Budget

Total Project Cost: \$ 255,385 -
Dollar Amount Requested: \$ 15,000
(Please see attached Guidelines)

Authorization

SURPAC President

District Board President

Date Awarded

PATH #1

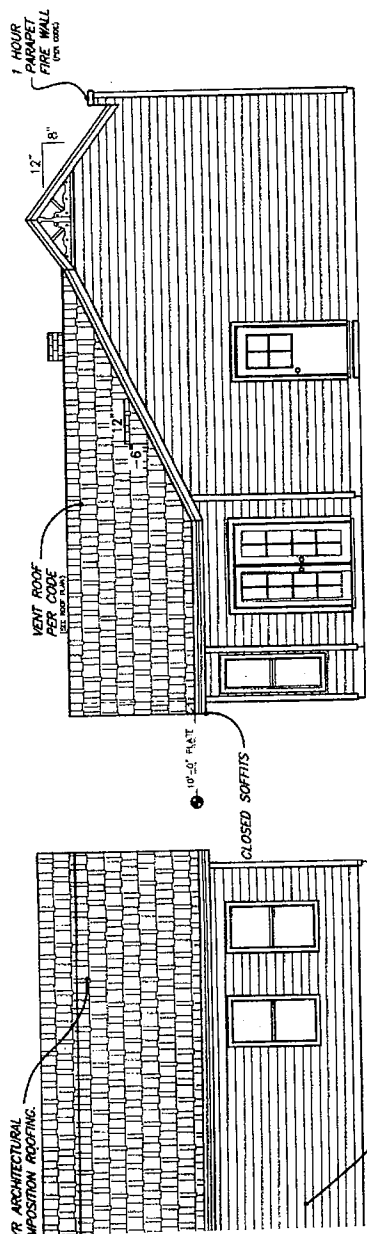
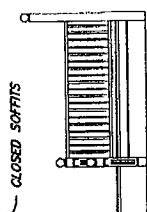
COPYRIGHT 2008
DO NOT DUPLICATE
WITHOUT WRITTEN
PERMISSION

- NOTES**
1. ALL ROOF DRAINAGE SHALL COMPLY WITH OREGON STATE PLUMBING AND SPECIALTY CODE, CHAPTER 14.
 2. ALL PLUMBING SHALL COMPLY WITH THE STATE OF OREGON PLUMBING CODES.
 3. ALL PLUMBING, RAIN DRAINS AND WATER SERVICE SHALL BE INSPECTED BEFORE COVERING.
 4. MAXIMUM 1.6 GAL/FLUSH TOILET ARE REQUIRED BY CODE.
 5. FIXTURES BELOW UPSTREAM MANHOLE COVER MUST BE PROTECTED BY A BACKWATER VALVE.

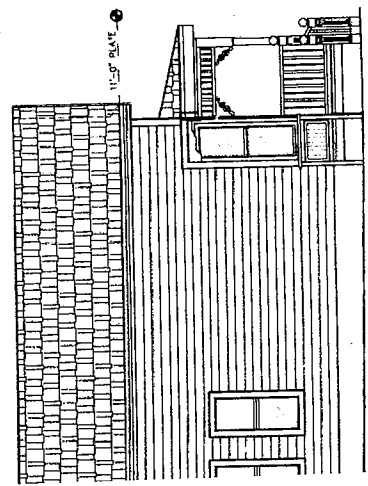
NOTICE

ALL CONSTRUCTION TO COMPLY WITH THE 2004 EDITION OF THE STATE OF OREGON COMMERCIAL STRUCTURAL SPECIALTY CODE.

COORDINATE ALL APPLICABLE MODIFICATIONS TO THESE DRAWINGS AS REQUIRED.



REAR ELEVATION SCALE: 1/4" = 1'-0"



SE

Drawn for: LAVENDER TEA HOUSE, JAMIE YANG
16227 SOUTHWEST 1st STREET
SHERWOOD, OREGON 97140
503-625-4479, 971-970-1288

engineer: BMFG ENGINEERING
503-399-1399

designed by: Naomi Hormann
503-884-3974

DATE: 3-14-08
SCALE: AS NOTED
DRAWING NUMBER: 100000000
SHEET: 1 OF 7 SHEETS

NOTE:
DESIGNER IS NOT AN ARCHITECT OR ENGINEER AND CONSTRUCTION FROM THESE PLANS SHOULD NOT BE UNDERTAKEN WITHOUT THE ASSISTANCE OF A CONSTRUCTION PROFESSIONAL. FOR CONSTRUCTION THESE PLANS ARE INTENDED TO BE USED TO MAKE SUCH MINOR CORRECTIONS AS DEEMED NECESSARY AS LONG AS SUCH DEVIATIONS PROMOTE THE OVERALL EFFICACY AND AESTHETICS OF THE PLAN. CONTRACTOR SHALL VERIFY AND BE RESPONSIBLE FOR ALL DIMENSIONS AND CONDITIONS ON THE JOB. DESIGNER MUST BE NOTIFIED OF ANY DISCREPANCIES OR VARIATIONS OF AND FROM

APPROVED FINAL PLAN 3-14-08
THIS SET OF PLANS HAS BEEN APPROVED TO BE PASSED ON TO THE CITY OF SHERWOOD FOR THEIR REVIEW, FOR THE PURPOSE TO PERMIT.

Lavender Tea House

| | Cost | 50% Façade Grant |
|-----------------------------------|--------------|-------------------------|
| Exterior Painting | \$ 8,000.00 | \$ 4,000.00 |
| Windows & Doors | \$ 11,870.00 | \$ 5,935.00 |
| Siding Work | \$ 8,580.00 | \$ 4,290.00 |
| Labor | \$ 7,000.00 | \$ 3,500.00 |
| Materials to framing, finish work | \$ 7,400.00 | \$ 3,700.00 |
| | \$ 42,850.00 | \$ 21,425.00 |



OR CCB# 155833 ▶ WA# SULLEVR945K5 ▶ Shaun Sullens and Marvin Veeder owner's ▶ 503-349-2273 ▶ meveeder@msn.com

FIRM PRICE QUOTATION AND CONTRACT

Date submitted: May 5, 2008
Customer name: Jamie Yang Lavender Tea House
Address: 16227 SW First Street, Sherwood Oregon 97140
Phone/Cell: 503-625-4479 / 971-570-4288 / jyang91@hotmail.com
Project location: 16227 SW First Street, Sherwood Oregon 97140

**Work to be performed: Front Façade of Lavender Tea House
Includes creating front façade as per plans.**

- Materials to framing, finish work: \$7400.00
- Labor: \$7000.00
- Profit: \$1600.00

Total cost for Front Façade: \$16,000.00

Estimated Time: 12 days

Terms: 10% down at signing; and a percentage of balance due weekly with a remaining balance at completion after approval of work by owner and general contractor. A payment schedule will be provided and will require a signature.

ACCEPTANCE OF PROPOSAL: All of the above work will be completed in a substantial and professional manner with the site left clean. Any alterations or deviation from the plans submitted or from the above specifications will involve extra cost of material and/or labor and will become an extra charge above the sum stated in this contract, unless otherwise negotiated. Any changes in specification will require a signed change order. All agreements must be made in writing before changed construction will begin. The above prices, specification and conditions are hereby accepted. I have read this, the CONSUMER NOTIFICATION FORM, the OWNER'S DUTY TO NOTIFY CONTRACTOR and the INFORMATION NOTICE TO OWNER ABOUT CONSTRUCTION LIENS and understand my rights. You are authorized to do the work as specified. Payment will be made as outlined above. **Note:** Any TV cable wiring and hook up and/or security monitors system to be paid separate from this contract and by owner.

Note: owner to obtain permits.
Please sign below.

Customer's acceptance signature:

_____ *Jamie Yang*

Date: 5/6/08

General Contractor signature:

_____ *Shaun Sullens*

Date: 5/6/08

**Shaun Sullens and Marvin Veeder ▶ Fax:503-285-1305 ▶ Marvin's cell # 503-349-7215
6533 N. Kerby, Portland, Oregon 97217**

Sullens Veeder

Renovation & Construction, LLC

OR CCB# 155833 ▶ WA# SULLEVR945K5 ▶ Shaun Sullens and Marvin Veeder owner's ▶ 503-349-2273 ▶ meveeder@msn.com

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Date submitted: May 5, 2008
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Address: 16227 SW First Street, Sherwood Oregon 97140
Phone/Cell: 503-625-4479 / 971-570-4288 / jyang91@hotmail.com
Project location: 16227 SW First Street, Sherwood Oregon 97140

Work to be performed: Remodel Lavender Tea House of both original and new construction; as plans viewed on 01.14.08 Work to begin June 9th with Sullens Veeder Renovation

Note; Sullens Veeder Renovation general contractor will coordinate with excavation contractor, roofer and painter. There will be a drop box and a porta-potty on the premises.

Demolition work: \$5500.00

Includes labor and profit costs for demo of new addition areas and original house as needed

Removal of debris is included

Estimated Time: 5 days

Framing work: \$46,335.00

Includes labor, materials and profit costs for new addition and necessary with pre-engineered trusses framing for original house; interior and exterior;

Framing for 8 solar tubes; purchase and installation price included.

Estimated Time: 14 days

Siding work: \$8580.00

Includes labor, materials and profit costs for ship-lap siding the new addition and the original house

Estimated Time: 14 days

Doors and windows: \$11,870.00

Includes labor, materials and profit costs for purchase and install entrance door and windows and interior doors (front door will be full glass panel wood door; windows in original area to match original house windows; replace with vinyl single hung in new construction; replace side windows in original house, leave front windows as existing) Hardware for doors (ADA code) and windows is included in price

Ken Flynn Painting, Inc.

QUALITY THAT SHOWS!

April 21, 2008

Jamie Yang
Lavender Tea House
16227 SW First St
Sherwood OR 97140

503-625-4479

lavenderteahouse@yahoo.com

The following bid is for the exterior of the new restaurant located at the above address. This bid includes all labor, equipment, and material needed to do the indicated tasks. Top of the line Sherwin Williams Superpaint will be used on the body and Duration on the trim; color to be similar to existing. This bid allows for up to two colors on the body, one color on the trim, an accent on the front door and one color on the floor enamel

1. The building will be pressure washed to clean and remove debris and the trim to remove as much loose paint as possible.
2. All cement will be blown off. See below for cement cleaning
3. We will spray any minor wasps' nests and remove.
4. All caulking is to be done by the siding installers
5. The body will be painted per Superpaint specs.
6. All trim and fascia will be painted per Duration Specs.
7. The gutters will be painted the same color as the trim and the downspouts and eaves the same color as the body.
8. This bid does include finishing doors. But we are assuming that all windows are pre finished and will not be painted
9. Once we start work we would like to put a sign out front so employees can easily find the jobsite.
10. The covered front porch will be finished using Floor enamel
11. The railing and detail at the top of the porch will be finished before being installed then touched up
12. The handrail up the ramp will be prefinished
13. This bid includes the number of samples indicated in paragraph 1; additional samples will be billed on a time and material basis.
14. We will match all other manufacturers' colors to Sherwin Williams.
15. The landscaping may need to be trimmed back before we paint.
16. We are including finishing the new fence 175 lineal feet both sides (you will need to secure permission from adjacent property owners for us to work on their property)

We can do the above for \$8000.00. We would require a draw of \$1000.00 at contract signing and a draw of \$6000.00 at substantial completion with the balance due at final approval. We will schedule this to fit your timing. If you were able to install prefinished fencing the above could be reduced by \$1700.00.

WE PAINT SHERWOOD SINCE 1996©

23077 SW Main Street #58
Sherwood, OR 97140
Office: 503-625-2452
Cell: 503-481-7356

URA Resolution 2008-014
May 20, 2008, Exhibit A (6 pgs)

CCB # 168452
PDCA # 586990
www.kenflynnpaintinginc.com
kenflynnpainting@hotmail.com

Walk on Documents
URA Board Mtg. 05.20.08

Board Meeting Date: May 20, 2008
Agenda Item: New Business

TO: Sherwood Urban Renewal Board of Directors

FROM: Christina Shearer, Finance Director

SUBJECT: Resolution 2008-013 of the Urban Renewal Agency of the City of Sherwood, Oregon approving interim financing.

ISSUE: **Should the Council authorize the City Manger to obtain a line of credit for Urban Renewal District Projects?**

BACKGROUND: The Urban Renewal Agency has a number of projects it wishes to commence including the purchase of the Cannery Site (Resolution 2008-002) and the Machine Shop adjacent to the Cannery (Resolution 2008-010), and participation in the development of a stable, long-term water supply. These projects total \$7,065,000.

FINDINGS: Staff has looked into financing options for these purchases, as well as other capital investment plans within the district and selected a line of credit as the most cost effective method of financing. A line of credit allows the District to take advantage of favorable short term financing rates while accomplishing purchases in a timely manner. The alternative would be to request a larger funding, either bank financing or a bond. Large bank financings and bonds are best used when the amount of the financing is well defined and the proceeds will be used immediately. Lines of credit allow the District to make draws only when necessary, resulting in interest savings.

RECOMMENDATION: **Authorize the Urban Renewal Agency Manager to enter into the interim financing agreement per Resolution 2008-013.**



Resolution No. 2008-013

A RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE CITY OF SHERWOOD, OREGON APPROVING INTERIM FINANCING IN THE MAXIMUM AMOUNT OF \$7,065,000 TO FINANCE URBAN RENEWAL PROJECTS IN THE SHERWOOD URBAN RENEWAL AREA

WHEREAS, the Urban Renewal Agency of the City of Sherwood (the "Agency") is authorized by ORS Chapter 457 to incur indebtedness to incur indebtedness to finance urban renewal projects in the Sherwood Urban Renewal Area (the "Area"); and,

WHEREAS, the Agency's urban renewal plan (the "Plan") establishes a maximum indebtedness for the Area of \$35,347,600; and,

WHEREAS, incurring additional indebtedness of \$7,065,000 will not cause the Area to exceed its maximum indebtedness; and,

WHEREAS, Bank of America, N. A. (the "Bank") has submitted a proposal to provide the interim financing that is attached to this resolution as Exhibit 1; now, therefore, it is hereby

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SHERWOOD URBAN RENEWAL AGENCY:

Section 1. Interim Financing Authorized.

The Agency is hereby authorized to enter into one or more lines of credit or similar interim financing agreement (a "Line") with the Bank in a maximum principal amount of \$7,065,000, substantially in accordance with the Bank's proposal that is attached to this resolution as Exhibit 1, but with such changes as the Urban Renewal Agency Manager or the Urban Renewal Agency Finance Director (each of whom is referred to in this resolution as an "Agency Official") may approve.

Section 2. Security.

The Line shall be a special obligation of the Agency that is payable solely from the tax increment revenues of the Area, the proceeds of any future borrowing to refinance the Line, and any unexpended proceeds of the Line.

Section 3. Delegation.

Each Agency Official is hereby authorized, on behalf of the Agency and without further action by the governing body of the Agency, to:

- (1) establish the final principal amount, maturity schedule, interest rates, redemption terms, and other terms of the Line;
- (2) negotiate the terms of, and execute and deliver, the Line and any documents that the Agency Official determines are desirable to obtain the Line;
- (3) covenant to protect the excludability of interest on the Line from gross income under the Code, and designate the Line as a "qualified tax-exempt obligation" under Section 265 of the Code as necessary;
- (4) take any other action in connection with the Line which is consistent with this resolution and which the Agency Official finds will be advantageous to the Agency.

Duly passed by the Urban Renewal Agency Board of Directors this 20th day of May, 2008.

**Urban Renewal Agency of City of
Sherwood, Oregon**

Keith Mays, Board Chair

Attest:

Sylvia Murphy, City Recorder

Exhibit 1

2008 Sherwood Urban Renewal Area Non-Revolving Credit Facility

This 2008 Sherwood Urban Renewal Area Non-Revolving Credit Facility is entered into between the Urban Renewal Agency of the City of Sherwood, Oregon (the "Agency") and Bank of America, N.A. (the "Bank") as of this ___ day of May, 2008.

1. Definitions.

For purposes of this Facility, the following capitalized terms shall have the following meanings, unless the context clearly requires otherwise:

"Authorizing Resolution" means Agency Resolution No. 2008-___, adopted ____, 2008, authorizing this Facility and the Note.

"Bank" means Bank of America, N.A., or its successors.

"Banking Day" means any day (other than a Saturday or a Sunday) on which the Bank of America, N.A., is open for business in Oregon, New York, and London and dealing in offshore dollars.

"Agency" means the Urban Renewal Agency of the City of Sherwood, Oregon.

"Agency Council" means the City Council of the City of Sherwood, Oregon, acting as the governing body of the Agency pursuant to ORS 457.035.

"Agency Official" means the person designated by the Agency Council to act on behalf of the Agency under this Facility.

"Area" means the Sherwood Urban Renewal Area described in the Plan.

"Code" means the Internal Revenue Code of 1986, as amended.

"Draw" means a loan to the Agency under this Facility.

"Draw Certificate" means a request for a draw under this Facility which is substantially in the form attached to this Facility as Exhibit B.

"Event of Default" means the declaration by the Bank of an Event of Default as a result of a determination by the Bank that there has been: (i) a failure to pay principal or interest on the Note when due, as provided in the Note and this Facility; or (ii) a failure by the Agency to comply with any of its obligations, or to perform any of its duties, under this Facility or the Note, which failure continues and is not cured for a period of more than sixty (60) days after the Bank has made written demand on the Agency to cure such failure; or (iii) a material misrepresentation by the Agency in this Facility or the Note.

"Facility" means this 2008 Sherwood Urban Renewal Area Non-Revolving Credit Facility.

“Facility Amount” means \$[amount].

“Facility Rate” means the rate at which each Draw bears interest, which shall be the LIBOR Option or the Prime Option selected by the Agency, rounded to the nearest 1/100 of one percent, except as provided in Section ?? (default rate).

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or as otherwise defined by Oregon Law.

“LIBOR Rate” means, means, for any applicable Rate Period, the rate per annum equal to the British Bankers Association LIBOR Rate (“BBA LIBOR”), as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as selected by the Bank from time to time) at approximately 11:00 a.m. London time two (2) London Banking Days before the commencement of the Rate Period, for U.S. Dollar deposits (for delivery on the first day of such Rate Period) with a term equivalent to such Rate Period. If such rate is not available at such time for any reason, then the rate for that Rate Period will be determined by such alternate method as reasonably selected by the Bank.

“London Banking Day” means a day on which banks in London are open for business and dealing in offshore dollars.

“Maturity Date” means the second anniversary of the closing of this Facility, unless this Facility is extended pursuant to its Section 6, in which case the Maturity Date shall be the date to which final payment of this Facility and the Note are extended.

“Note” means the 2008 Sherwood Urban Renewal Area Credit Facility Note evidencing the amounts owed under this Facility, which shall be in substantially the form attached to this Facility as Exhibit A.

“Outstanding Balance” means, at any time, the sum of all Draws, less the sum of all Note principal repayments which have been received by the Bank.

“Plan” means the Agency's Sherwood Urban Renewal Area Urban Renewal Plan that was approved by City Ordinance No. ____, on ____, as that plan has been, and may in the future be, amended.

“Prime Rate” means the rate of interest publicly announced from time to time by the Bank as its Prime Rate. The Prime Rate is set by the Bank based on various factors, including the Bank’s cost and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans. The Bank may price loans to its customers at, above, or below the Prime Rate. Any change in the Prime Rate shall take effect at the opening of business on the day specified in the public announcement of a change in the Bank’s Prime Rate.

“Project” means the [describe projects] in the Sherwood Urban Renewal Area.

“Rate Period” means a period from one (1) month up to twelve (12) months for the LIBOR Rate Options, and any number of days which the Agency may select for the Prime Rate Option.

“LIBOR Option” means a fixed rate equal to sixty-three and one-half percent (63.5%) of the LIBOR Rate for the applicable Rate Period, plus a spread of one and sixty-one hundredths percent (1.61%).

“Prime Option” means a fully floating, annual rate equal to sixty-three and one half percent (63.5%) of the Prime Rate, minus a spread of twelve hundredths of one percent (0.12%).

“Tax Increment Revenues” means the amount of taxes calculated based on the increase in value of property in the Area which are payable to the Agency as permitted by Article IX, Section 1c of the Oregon Constitution. The Agency is not authorized to levy taxes in connection with the Area pursuant to Article XI, Section 11(16) of the Oregon Constitution and ORS 457.435(2)(a), and “Tax Increment Revenues” does not include the proceeds of any such levy.

2. Recitals.

The Agency Council has adopted the Authorizing Resolution, which authorized the Agency to borrow up to \$[amount] under ORS 288.165 to finance costs of the Project, costs of obtaining this Facility and interest that accrues on this Facility through the Maturity Date.

3. Facility.

3.1. The Bank hereby agrees to make loans to the Agency under this Facility when the Agency files Draw Certificates, subject to the terms and conditions contained in this Facility and the Note, in an aggregate amount not to exceed the Facility Amount. The Agency agrees to use the Draws for the purposes specified in Section 2 of this Facility.

3.2. Each Draw under this Facility shall bear interest at the Facility Rate option specified by the Agency in accordance with Section 7 of this Facility, calculated on an actual/360-day basis, and payable quarterly in arrears on the first days of February, May, August and November of each year, and on the final maturity date of the Note. The first interest payment is due on August 1, 2008. Unless this Facility is extended in accordance with Section 6 of this Facility, the Outstanding Balance, plus accrued interest, shall be paid no later than the Maturity Date.

4. Prepayment.

4.1. Optional Prepayment.

(a) The Outstanding Balance may be prepaid at any time at the option of the Agency without penalty, except as provided below in Section 4.1(b). Prepayments by the Agency to the Bank shall be applied first, to pay accrued interest on the amount prepaid, and second, to reduce the outstanding principal amount of the Draws specified by the Agency. This Facility is non-revolving; when the Agency prepays the Outstanding Balance, it may not reborrow that amount.

- (b) If a Draw which bears interest at the LIBOR Rate Option is prepaid prior to the end of its Rate Period, the Agency shall pay the Bank a prepayment fee which is equal to the amount by which:
 - (i) The additional interest that would have been payable on the amount prepaid had it not been paid until the last day of the Rate Period, exceeds
 - (ii) The interest which would have been recoverable by the Bank by investing the amount prepaid at the LIBOR Rate for a period starting on the date on which it was prepaid and ending on the last day of the Rate Period. If a LIBOR Rate is not available for that period, the rate for that period shall be determined using a straight line interpolation between the LIBOR Rates for the closest available periods.

5. Security for Facility.

5.1. This Facility is a special obligation of the Agency that is payable solely from the Tax Increment Revenues for credit to the Facility Account as provided in Section __, below. The Agency hereby pledges the Tax Increment Revenues to pay the amounts due under this Facility; however, the lien of this pledge is subordinate to the lien that secures the Agency's Senior Lien Obligations.

5.2. The Agency also pledges the following to secure its obligations under this Facility:

- (a) The proceeds of any obligations issued by the Agency to refinance its obligations under this Facility; and,
- (b) The unexpended proceeds of any Draws made under this Facility.

5.3. Except as provided in the next sentence and unless the Agency receives the prior written consent of the Bank, the Agency covenants not to issue any obligations that are secured by a lien on the Tax Increment Revenues that is equal or superior to the lien that secures this Facility. The Agency may issue obligations that are secured by a lien on the Tax Increment Revenues that is equal or superior to the lien that secures this Facility if the Agency pays the Outstanding Balance, plus accrued interest, on the date the Agency issues the obligations.

5.4. The Agency covenants:

- (a) to whatever action may be required to collect the full amount of the Divide the Taxes Revenues each Fiscal Year; and,
- (b) to issue obligations on or before the Maturity Date in amounts sufficient, with other resources available to the Agency, to pay all amounts due under this Facility.

5.5. The Agency has previously established the Tax Increment Fund. While this Facility is in effect, the Agency shall deposit into the Tax Increment Fund all Tax Increment Revenues it receives and all earnings on the Tax Increment Revenues, and shall apply amounts in the Tax Increment Fund only for the following purposes in the following order of priority:

- (a) to make any payments then due on Senior Lien Bonds and make any deposits the Agency is then required to make to replenish reserves for Senior Lien Bonds;
- (b) to pay amounts due under this Facility.

6. Extension.

This Facility may be extended only by written agreement of the Agency and the Bank.

7. Draws, Rate Selection; Accounting and Billing.

7.1. The Agency may make Draws under this Facility through the Maturity Date.

7.2. The Agency Official shall file a Draw Certificate for each Draw, in substantially the form attached to this Facility as Exhibit B, with the information and certifications shown in Exhibit B. Draw Certificates shall be filed at least three (3) Banking Days before the date on which the Agency requests that the Draw be disbursed to the Agency.

7.3. Each Draw shall bear interest at the Facility Rate option specified by the Agency in the Draw Certificate for the Rate Period specified in the Draw Certificate. Not less than three (3) Banking Days prior to the expiration of the Rate Period for each outstanding Draw, the Agency shall select the Facility Rate option and Rate Period that shall apply to that Draw when the existing Rate Period expires, and shall notify the Bank of the Agency's selection. The notice shall be given by facsimile or other method acceptable to the Bank, and shall be in substantially the form attached as Exhibit C. If the Agency fails to specify a Rate Period and a Facility Rate option prior to the expiration of a Rate Period as required by this Section 7.3, the Facility Rate option for that Draw shall be the applicable Prime Rate option until the Agency notifies the Bank in accordance with this Section 7.3.

7.4. Each Draw using a Prime Rate Option may be made in any principal amount. A Draw using a LIBOR Rate Option will be for an amount not less than One Hundred Thousand Dollars (\$100,000.00).

7.5. The LIBOR Rate Option is available only for Rate Periods that end on or before the Maturity Date.

7.6. The Bank shall provide the Agency a written accounting of all Draws, payments and other transactions relating to this Facility quarterly. The Bank shall send the Agency a bill for the amount due on each Facility interest payment date, not later than ten (10) Banking Days prior to that interest payment date. The calculation will be made on the assumption that no new Draws will be advanced between the date of the billing statement and the due date, and that there will be no changes in the applicable Facility Rate.

8. Other Obligations.

The Agency reserves the right to pledge its full faith and credit for other purposes without limitation by this Facility.

9. Tax-Exemption.

9.1. If the Agency requests and receives any Draws that bear interest at the TXBQ LIBOR Option, the TXNBQ LIBOR Option, the TXBQ Prime Option or the TXNBQ Prime Option, the Agency covenants for the benefit of the Bank to comply with all provisions of the Code which are required for interest on this Facility and the Note to be excluded from gross income under the Code. In determining what actions are required to comply, the Agency may rely on an opinion of nationally recognized bond counsel. The Agency makes the following specific covenants with respect to the Code:

- (a) The Agency will not take any action or omit any action if it would cause this Facility or the Note to become an “arbitrage bond” under Section 148 of the Code;
- (b) The Agency shall not take any action that would cause this Facility or the Note to be a private activity bond within the meaning of Section 141 of the Code;
- (c) The Agency shall pay, when due, all rebates and penalties with respect to this Facility and the Note that are required by Section 148(f) of the Code.

9.2. If the Agency requests and receives any Draws that bear interest at the TXBQ LIBOR Option or the TXBQ Prime Option, the Agency represents that it shall have designated this Facility or the Note as a “qualified tax-exempt obligation” under Section 265 of the Code.

9.3. Any covenants relating to this Section 9 in the closing documents for this Facility and the Note shall constitute contracts with the Bank, and shall be enforceable by the Bank.

10. Default.

10.1. If an Event of Default occurs, the Bank may exercise any remedy available at law or in equity; however, the amounts due under this Facility shall not be subject to acceleration. However, if an Event of Default described in clause (i) of the definition of “Event of Default” occurs, or if an Event of Default occurs due to a failure by the Agency to comply with its obligations set forth in Section 9 above, the Bank may declare that the Outstanding Balance shall bear interest at two percentage points per annum above the applicable Facility Rate. No remedy shall be exclusive. The Bank may waive any Event of Default, but no such waiver shall extend to a subsequent Event of Default.

10.2. If the Bank is in default of any of its obligations under this Facility or the Note, the Agency may exercise any remedy available at law or in equity. No remedy shall be exclusive. The Agency may waive any Bank default, but no such waiver shall extend to a subsequent Bank default.

11. Fees, Costs and Expenses.

11.1. Bank Fees. The Agency shall pay the Bank an origination fee in connection with this Facility of \$1,500.00 (which equals ten hundredths of one percent (0.1%) of the Facility Amount).

11.2. Costs of Enforcement. If either party incurs any expenses in connection with enforcing this Facility, or if the Bank takes collection action under this Facility, the losing party shall pay to the prevailing party, on demand, the prevailing party's reasonable costs and reasonable attorneys' fees, whether at trial, on appeal or otherwise, including any allocated costs of in-house counsel.

11.3. Other Fees and Costs. The Agency shall pay the fees and costs of Preston Gates & Ellis LLP ("Note Counsel"), and any other expenses and costs which the Agency incurs in connection with this Facility. The Agency shall pay the Bank's costs and expenses associated with the execution of this Facility, including the costs of Bank's counsel to review this Facility, in an aggregate amount not to exceed \$1,200.00.

12. Representations, Warranties and Agreements of the Agency.

By executing this Facility in the space provided below, the Agency represents and warrants to, and agrees with the Bank that:

12.1. The Agency is duly created and existing under the laws of the State of Oregon, has all necessary power and authority to enter into this Facility and perform its duties under the Authorizing Resolution and this Facility, and that the Authorizing Resolution, this Facility and the Note will constitute legal, valid and binding obligations of the Agency which are enforceable in accordance with their terms.

12.2. The acceptance of this Facility, the adoption of the Authorizing Resolution and the execution and delivery of the Note will not conflict in any material respect with, or constitute a material breach of or default under, any law, charter provision, court decree, administrative regulation, resolution or other agreement to which the Agency is a party or by which it is bound.

12.3. Except as previously disclosed to the Bank, there is no action, suit, proceeding or investigation at law or in equity before or by any court or government, Agency or body pending or, to the best of the knowledge of the Agency, threatened against the Agency to restrain or enjoin the acceptance of this Facility, the adoption of the Authorizing Resolution or the execution and delivery of the Note, or the collection and application of the funds as contemplated by the Authorizing Resolution and this Facility, which, in the reasonable judgment of the Agency, would have a material and adverse effect on the ability of the Agency to pay the amounts due under this Facility.

12.4. To the extent permitted by law, the Agency agrees to indemnify and hold harmless the Bank and all of its agents and employees against any and all losses, claims, damages, liabilities and expenses arising out of any statement made by the Agency to the Bank, its agents or employees, which relates to this Facility or the Note, and which is untrue or incorrect in any material respect.

12.5. The Agency agrees that it shall, if then permitted by law, issue bonds or other obligations on or before the Maturity Date in an amount sufficient, together with other resources of Agency, to pay all amounts due under this Facility.

12.6. The Agency agrees that it shall not, unless it obtains the prior written consent of the Bank, issue any obligations that have a lien on the proceeds of any borrowings the Agency makes to refinance this Facility or the unexpended proceeds of any Draws, unless that lien is subordinate to the lien of the pledge that secures this Facility and the Note.

13. Reporting to Bank.

While this Facility is in effect the Agency shall provide the Bank with:

- 13.1. A copy of each of the Agency's final, annual audited financial statements within 210 days after the end of each fiscal year.
- 13.2. Each budget of the Agency which is adopted, within forty-five (45) days after each budget is adopted.
- 13.3. Prompt notice of the occurrence of any event that may prevent the Agency from issuing bonds or other obligations to refinance this Facility and the Note by the Maturity Date.
- 13.4. Such other financial information as the Bank may reasonably request from time to time.

14. Conditions to the Obligations of the Bank.

The Bank may at any time refuse to advance funds under this Facility:

- 14.1. If there has occurred:
 - (a) a declaration of war or engagement in major military hostilities by the United States or the occurrence of any other national emergency or calamity relating to the effective operation of the government or the financial community and the United States which in the reasonable opinion of the Bank materially disrupts the ability of the Bank to advance funds under this Facility;
 - (b) a declaration of a general banking moratorium by federal, New York, California or Oregon authorities, or the general suspension of trading on any national securities exchange, which in the reasonable opinion of the Bank materially disrupts the ability of the Bank to advance funds under this Facility.
- 14.2. If on or prior to the execution of this Facility the Bank shall not have received:
 - (a) an opinion of Note Counsel to the effect that the Facility and Note are valid and legally binding full faith and credit obligations of the Agency enforceable against the Agency in accordance with their terms
 - (b) an opinion of Note Counsel that interest on the Facility and Note are excludable from gross income under the Code, and that the Agency has designated this Facility and the Note as a "qualified tax-exempt obligation" under Section 265 of the Code.
 - (c) the certificate of a Agency Official to the effect that:

- (i) except as previously disclosed to the Bank, there is no action, suit, proceeding or investigation at law or in equity before or by any court or government, Agency or body pending or, to the best of the knowledge of the Agency, threatened against the Agency to restrain or enjoin the adoption of the Authorizing Resolution or the execution and delivery of this Facility and the Note, or the collection and application of funds as contemplated by this Facility or the Note, which, in the reasonable judgment of the Agency, would have a material and adverse effect on the ability of the Agency to pay the amounts due under this Facility, and
- (ii) the adoption of the Authorizing Resolution and the execution and delivery of this Facility and the Note do not and will not conflict in any material respect with or constitute on the part of the Agency a breach of or default under any law, charter provision, court decree, administrative regulation, resolution or other agreement or instrument to which the Agency is a party or by which it is bound.

14.3. If the Bank reasonably determines that:

- (a) the representations and warranties of the Agency in this Facility, the Authorizing Resolution or a Draw Certificate (Exhibit B to this Facility) were untrue in any material respect when made, or have become untrue; or
- (b) there has been a material, adverse change in the financial condition of the Agency; or
- (c) an Event of Default has occurred and is continuing.

15. Arbitration and Waiver of Jury Trial

15.1. This Section 15 concerns the resolution of any controversies or claims between the parties, whether arising in contract, tort or by statute, including but not limited to controversies or claims that arise out of or relate to: (i) this Facility or the Note (including any renewals, extensions or modifications); or (ii) any document related to this Facility or the Note (collectively a "Claim"). For the purposes of this arbitration provision only, the term "parties" shall include any parent corporation, subsidiary or affiliate of the Bank involved in the servicing, management or administration of any obligation described or evidenced by this agreement.

15.2. At the request of any party to this Facility, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U.S. Code) (the "Act"). The Act will apply even though this Facility provides that it is governed by the law of the State of Oregon. The arbitration will take place on an individual basis without resort to any form of class action.

15.3. Arbitration proceedings will be determined in accordance with the Act, the then-current rules and procedures for the arbitration of financial services disputes of the American Arbitration Association or any successor thereof ("AAA"), and the terms of this paragraph. In the event of any inconsistency, the terms of this paragraph shall control. If AAA is unwilling or unable to (i) serve as the provider of arbitration or (ii) enforce any provision of this arbitration clause, any party to this Facility may substitute another arbitration organization with similar procedures to serve as the provider of arbitration.

15.4. The arbitration shall be administered by AAA and conducted, unless otherwise required by law, in any U.S. state where real or tangible personal property collateral for this credit is located or if there is no such collateral, in the State of Oregon. All Claims shall be determined by one arbitrator; however, if Claims exceed Five Million Dollars (\$5,000,000), upon the request of any party, the Claims shall be decided by three arbitrators. All arbitration hearings shall commence within ninety (90) days of the demand for arbitration and close within ninety (90) days of commencement and the award of the arbitrator(s) shall be issued within thirty (30) days of the close of the hearing. However, the arbitrator(s), upon a showing of good cause, may extend the commencement of the hearing for up to an additional sixty (60) days. The arbitrator(s) shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed, judgment entered and enforced.

15.5. The arbitrator(s) will give effect to statutes of limitation in determining any Claim and may dismiss the arbitration on the basis that the Claim is barred. For purposes of the application of the statute of limitations, the service on AAA under applicable AAA rules of a notice of Claim is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitrable shall be determined by the arbitrator(s). The arbitrator(s) shall have the power to award legal fees pursuant to the terms of this Facility.

15.6. This paragraph does not limit the right of any party to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or non-judicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights, or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of possession or appointment of a receiver, or additional or supplementary remedies.

15.7. The filing of a court action is not intended to constitute a waiver of the right of any party, including the suing party, thereafter to require submittal of the Claim to arbitration.

15.8. By agreeing to binding arbitration, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim. Furthermore, without intending in any way to limit this Facility to arbitrate, to the extent any Claim is not arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such Claim. This provision is a material inducement for the parties entering into this Facility.

16. Notices.

Any notices required to be given pursuant to this commitment letter or this Facility shall be given to the following addresses:

Agency:

Urban Renewal Agency of the City of Sherwood
[insert contact address]

Bank:

Bank of America, N.A.
Government Banking [OR 1-129-17-15]
1700 Bank of America Financial Center
121 S.W. Morrison Street
Portland, OR 97204-3117

17. Survival; Facility Constitutes Contract.

This Facility may not be assigned by the Agency or the Bank without the other's consent. All representations, warranties, and agreements contained in this Facility shall survive the execution, delivery and payment of this Facility. This Facility and the Note shall constitute a contract between the Agency and the Bank. The Bank's extension of credit hereunder is expressly made in reliance on such contract.

18. Applicable Law.

This Facility shall be governed and interpreted in accordance with the laws of the State of Oregon.

19. Severability and Waivers.

If any part of this Facility is not enforceable, the rest of the Facility may be enforced. The Bank retains all rights, even if it makes a loan after default. If the Bank or the Agency waives a default, it may enforce a later default. Any consent or waiver under this Facility must be in writing.

20. Counterparts.

This Facility may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same agreement.

21. Written Agreements.

Under Oregon law, most agreements, promises and commitments made by the Bank concerning loans and other credit extensions which are not for personal, family or household purposes or secured solely by the borrower's residence must be in writing, express consideration and be signed by the Bank to be enforceable.

DATED as of the ___th day of ____, 2008.

BANK OF AMERICA, N.A.

By: _____
Authorized Officer

OREGON
URBAN RENEWAL AGENCY OF THE CITY OF SHERWOOD,

By: _____
Ross Schultz, Agency Manager

EXHIBIT A

**UNITED STATES OF AMERICA
STATE OF OREGON
URBAN RENEWAL AGENCY OF THE CITY OF SHERWOOD**

2008 Sherwood Urban Renewal Area Non-Revolving Credit Facility Note

The Urban Renewal Agency of the City of Sherwood, Oregon (the "Agency"), for value received, acknowledges itself indebted and hereby promises to pay to the order of Bank of America, N.A. (the "Bank"), the Outstanding Balance, in a principal amount of not more than SEVEN MILLION SIXTY-FIVE THOUSAND DOLLARS (\$[7,065,000]), together with interest on each Draw from its date to the date of its payment at the applicable Facility Rate option, calculated on an actual/360-day basis, as provided in the 2008 Sherwood Urban Renewal Area Non-Revolving Credit Facility between the Agency and the Bank which is dated as of ____, 2008 (the "Facility"). Interest on this Note is payable quarterly in arrears beginning August 1, 2008. All principal and interest on this Note is due and payable on the Maturity Date, as defined in the Facility, unless the Facility is extended in accordance with its Section 6.

This Note has been authorized by Agency Authorizing Resolution No. 2008-__ adopted ____, 2008 (the "Authorizing Resolution") and executed pursuant to the Facility. The provisions of the Authorizing Resolution and the Facility are incorporated herein by reference; capitalized terms used but not defined in this Note have the meanings defined for such terms in the Facility.

If an Event of Default occurs, the Bank may exercise those remedies provided in the Facility.

If legal action is taken by the holder of this Note to enforce the provisions of this Note, the Authorizing Resolution, or the Facility, the prevailing party shall be entitled to its reasonable attorneys' fees and costs, including fees and costs at trial, on appeal or otherwise.

This Note is executed by the Agency to finance costs urban renewal projects in the Sherwood Urban Renewal Area and costs relating to the Facility and this Note as provided in the Facility, in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon.

This Note is subject to optional prepayment as provided in the Facility. The Bank may not assign its rights under this Note without the consent of the Agency.

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 Note 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 that this Note and all other obligations of such Agency, are within every debt limitation and other limit prescribed by such Constitution and Statutes.

IN WITNESS WHEREOF THIS FACILITY, the Agency has caused this Note to be executed by the manual signature of its Agency Official, as of this __th day of ____, 2008.

Urban Renewal Agency of the City of Sherwood, Oregon

By: _____
Agency Official

EXHIBIT B

DRAW CERTIFICATE NO. _____

Urban Renewal Agency of the City of Sherwood, Oregon
2008 Sherwood Urban Renewal Area Non-Revolving Credit Facility

TO: BANK OF AMERICA, N.A., PORTLAND, OREGON

On behalf of the Urban Renewal Agency of the City of Sherwood (the "Agency"), I hereby certify that:

1. I am a Agency Official of the Agency, as defined in the 2008 Sherwood Urban Renewal Area Non-Revolving Credit Facility which is dated as of May 17, 2008 (the "Facility"), and I am authorized to request this Draw under the Facility and to make the representations on behalf of the Agency in this certificate. Capitalized terms used in this draw certificate have the meanings defined for such terms in the Facility.

2. The Agency requests a Draw under the Facility in the amount of :

\$ _____

The amount of this Draw, plus all previous Draws of the Agency under the Facility, do not exceed the Facility Amount, as defined in the Facility. Please disburse the Draw to the Agency on

(insert date),

by wiring funds to the Agency as follows: [insert account]

3. This Draw shall bear interest at (check one of the following):

the Prime Option.

the LIBOR Option for a _____ [insert 1-12] Month Rate Period.

4. The Draw will be expended for purposes authorized by the Facility and the Authorizing Resolution.

5. Except as previously disclosed to the Bank, there is no action, suit, proceeding or investigation at law or in equity before or by any court or government, Agency or body pending or, to the best of the knowledge of the Agency, threatened against the Agency to restrain or enjoin the adoption of the Authorizing Resolution or the execution and delivery of this Facility and the Note, or the collection and application of funds as contemplated by this Facility or the Note, which, in the reasonable judgment of the Agency, would have a material and adverse effect on the ability of the Agency to pay the amounts due under this Facility.

6. All representations of the Agency in the Facility were true and correct when made, and remain true and correct on this date.

7. No Event of Default has occurred and is continuing.

Dated as of this ___ day of _____, _____.

URBAN RENEWAL AGENCY OF THE CITY OF
SHERWOOD, OREGON

By: _____
Agency Official

EXHIBIT C

RATE CERTIFICATE NO. _____

Urban Renewal Agency of the City of Sherwood, Oregon
2008 Sherwood Urban Renewal Area Non-Revolving Credit Facility

TO: BANK OF AMERICA, N.A.
SHERWOOD, OREGON

DATE OF RATE CERTIFICATE: _____

On behalf of the Urban Renewal Agency of the City of Sherwood (the "Agency"), I hereby certify that:

1. I am a Agency Official of the Agency, as defined in the 2008 Sherwood Urban Renewal Area Non-Revolving Credit Facility which is dated as of May 17, 2008, (the "Facility"), and I am authorized to file this Rate Certificate under the Facility and to make the representations on behalf of the Agency in this certificate.

2. The Agency requests that

Draw No. _____,

which was requested under

Draw Certificate No. _____

in the original principal amount of

\$ _____

bear interest at (check one of the following):

- the Prime Option.
 the LIBOR Option for a _____ [insert 1-12] Month Rate Period.

3. If the Draw will bear interest at a LIBOR Rate Option, the Draw Rate Period shall begin (check one):

- At the end of the current Rate Period, or
 On _____ (insert date at least three (3) Banking Days after this certificate is given to the Bank).

URBAN RENEWAL AGENCY OF THE CITY OF
SHERWOOD, OREGON

By: _____
Agency Official

Approved Minutes

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING MINUTES**

May 20, 2008

REGULAR MEETING

1. CALL TO ORDER: Chair Keith Mays called the URA Board meeting to order at 9:12 pm.

2. BOARD PRESENT: Chair Keith Mays, Vice Chair Dave Grant, Board members Dave Heironimus, Linda Henderson, Dan King, Dave Luman and Lee Weislogel.

3. STAFF PRESENT: City Manager Ross Schultz, Police Chief Jeff Groth, Finance Director Christina Shearer, Economic Development Manager Tom Nelson, and District Recorder Sylvia Murphy.

4. CONSENT AGENDA

A. Approval of May 6, 2008 URA Board Meeting Minutes

**MOTION: FROM MR. DAVE HEIRONIMUS TO APPROVE THE CONSENT AGENDA
SECONDED BY MR. LEE WEISLOGEL, APPROVED BY ALL MEMBERS PRESENT.**

Chair Mays addressed the next agenda item and confirmed with staff this business item was being walked on.

District Recorder note: Walk on items are submitted by staff at the meeting when they do not meet the packet print deadline. Staff provides these documents printed on yellow paper.

5. NEW BUSINESS

**A. URA RESOLUTION 2008-013 AUTHORIZING THE BORROWING OF \$7,065,000
FOR URA PROJECTS.**

Christina Shearer Finance Director came forward and explained this Resolution stating this is in the form of one or more lines of credit. The reason for stating "one or more" is because the tax status of some of the projects we wish to fund with this money may change. Staff is still working with bond counsel on this. The amount of the loan \$7,065,000 is fixed and we are not going to borrow any more than that in this Board authorization, some of it may be taxable verses non taxable which changes the interest rate a bit but otherwise remains exactly the same. Christina offered to answer questions.

Chair Mays asked for Board member questions.

Ms. Henderson asked why would it be taxable. Christina replied there is a provision in federal tax law that prohibits the use of public financing for private benefit. And because a piece of property we are looking to sell, specifically the Cannery site, we have an identified buyer even though we have no legally binding contract with that buyer, the advice of bond counsel is that may put us in a taxable status.

Chair Mays asked for other questions. With none heard he asked for a motion.

MOTION: FROM MR. DAVE HEIRONIMUS TO ADOPTED URA RESOLUTION 2008-013, SECONDED BY MR. LEE WEISLOGEL, APPROVED BY ALL MEMBERS PRESENT.

Chair Mays thanked the Board & staff and addressed the next agenda item.

B. URA RESOLUTION 2008-014 APPROVING FAÇADE GRANT FOR LAVENDER TEA HOUSE.

Tom Nelson Economic Development Manager came forward and explained the Board has before them an application from Jamie Yang the building owner. She will be doing a project that will cost her over \$255,000 and she has identified façade improvements that are well over the \$15,000 she has requested, they run close to \$43 thousand dollars.

Chair Mays asked for Board questions with none heard a motion was received.

MOTION: FROM MR. LEE WEISLOGEL TO ADOPTED URA RESOLUTION 2008-014, SECONDED BY MR. DAN KING, APPROVED BY ALL MEMBERS PRESENT.

Chair Mays thanked the Board and staff.

Tom Nelson stated he had staff reports he'd like to present to the Board.

Tom Nelson reported in regards to the RFP for the Old School House, no proposals were received and since the closing date he has received a few calls from other developers. Tom stated he would like to entertain those proposals if they come in and will bring them to the Board.

Chair Mays asked from a process standpoint does the Board need to do something other than entertain the proposals. City Manager Schultz replied no as we have gone through the public bid process.

Chair Mays asked if we have prospects to consider do they need to go through SURPAC first and then come to the Board.

City Manager Schultz replied the process we've taken in the past is for them to go through SURPAC first then the URA Board. Mayor Mays commented the Board would follow past practices.

Tom stated we don't know what the proposals may be and the Board can refuse the proposals, consider the proposals or negotiate.

Tom Nelson informed the Board that staff is proceeding with a contract with architects Van Lom to do architectural design for a proposed parking garage in this area. Staff has spoken with Jim Fisher Roofing about partnering in a project and we need to know what it would cost to develop such a project. Tom stated staff is considering Van Lom because they are already doing some work for Jim Fisher.

Chair Mays asked about sharing the expense. Tom explained the City will cover the cost as we want to own the results. The cost is approximately \$15,000.

Mr. Heironimus asked if they will also do a parking study. Tom replied what we have in developing this project has nothing to do with overflow parking from anyplace else in the community. What we are trying to solve over here is parking for developments that may occur with Fisher's development as well as parking for the Library and City Hall.

City Manager Schultz stated it may cover parking for the Lucas development.

Tom stated we've received more information from Capstone as far as what they are proposing for development and he wants to see what they are addressing in their proposal before staff proceeds with a parking study. Discussion occurred with people utilizing the parking from all areas and us knowing what the need may be. Tom stated the parking structure will be a "pay for parking" structure and staff has heard from the architect that parking will come from Library, City Hall and the Fisher development users. Tom stated it basically will not be additional parking for downtown.

Mr. Heironimus asked what does the City have to gain from a parking lot other than to service library, City Hall & Fishers Development and maybe we need to look at a bigger structure.

Tom reported on the Cannery Development agreement and stated he believes the City has an agreement that is acceptable and staff is proceeding with the agreement which is currently being reviewed by the City attorney. Tom stated he would bring this back to the Board in the coming weeks.

Ms. Henderson asked what the Fisher Development consists of and Tom replied mixed use development with retail, office & residential.

Tom reported staff is working with a Downtown Development consultant. They will have an architect coming in to do 4 façade designs and look at areas that need improvements.

Tom reported there will be 2 free workshops in June on Merchandising and Marketing for businesses in the Downtown area. Information is available on the City website.

Tom reported on the City website are shopper's surveys & business surveys, this is part of the contract with the consultant. Tom stated we put out a press release in the Gazette & Tualatin Times and an interest article in the Westside section of the Oregonian.


Tom reported he attended a conference in San Diego and stated the Solar Industry is moving into Oregon and we have a window of opportunity as they are looking for locations to place prebuilt building ranging from 10,000-50,000 sq. feet.

Tom reported he will be making a presentation to the Association of Oregon Redevelopment Agencies called, Following the Moving Cheese. It will cover managing Urban Renewal Dollars.

Tom offered to answer Board questions. With no questions heard, Chair Mays adjourned.

ADJOURNED: Chair Mays adjourned the URA Board of Directors meeting at 9:27pm.

Submitted by:


Sylvia Murphy, District Recorder

Approved:


Keith S. Mays, Chairman