

TOWN OF EAST GREENWICH, RHODE ISLAND

AN ORDINANCE AUTHORIZING THE TOWN OF EAST GREENWICH TO ISSUE NOT TO EXCEED \$5,000,000 GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS TO FINANCE THE RENOVATION, REHABILITATION, REPAIR, REPLACEMENT, IMPROVEMENT, FURNISHING, EQUIPPING AND INSTALLATION OF SCHOOLS, SCHOOL FACILITIES AND INFRASTRUCTURE, INCLUDING BUT NOT LIMITED TO, SAFETY AND FIRE-CODE RELATED IMPROVEMENTS, ROOFS, HEATING, VENTILATION, ELECTRICAL SYSTEMS, LANDSCAPING, GROUNDS, ATHLETIC FIELDS, INFORMATION TECHNOLOGY, VEHICLES AND FOOD SERVICE FACILITIES

SECTION 1. The sum of \$5,000,000 is appropriated to fund the renovation, rehabilitation, repair, replacement, improvement, furnishing, equipping and installation of schools, school facilities and infrastructure, including but not limited to, safety and fire-code related improvements, roofs, heating, ventilation, electrical systems, landscaping, grounds, athletic fields, information technology, vehicles and food service facilities (the "Projects").

SECTION 2. Subject to Section 12 of this Ordinance, pursuant to Rhode Island General Laws § 45-12-2, the Director of Finance and the President of the Town Council are authorized to issue general obligation bonds of the Town in an amount not to exceed \$5,000,000 (the "Bonds") in order to meet the foregoing appropriation.

SECTION 3. The said officers from time to time may issue and refund not exceeding \$5,000,000 interest bearing or discounted notes (the "Notes") in anticipation of the issue of said Bonds. Such Notes may be issued in the amount of \$5,000,000 without any reduction for any grant to be received from the School Building Authority Capital Fund.

SECTION 4. The Town may be eligible for state school housing aid reimbursement on debt service pursuant to chapter 7 of title 16, or for a grant, loan or other "financial assistance" as defined in Section 45-38.2-1(6), from the School Building Authority Capital Fund under chapter 38.2 of chapter 45 of the general laws for such Projects, as defined in Section 3, taking into account the resources and priorities of School Building Authority Capital Fund from time to time. The amount of borrowing authorized pursuant to this Ordinance shall be reduced by the amount of any grant received by the Town from the School Building Authority Capital Fund.

SECTION 5. The manner of sale, forms, amount, denominations, maturities, conversion or registration privileges, interest rates, and other conditions and details of the Bonds and Notes authorized herein shall be fixed by the said officers. Notwithstanding anything contained in this Ordinance to the contrary, the Town may enter into financing agreements with the Rhode Island Health and Educational Building Corporation pursuant to chapter 7 of title 16 and chapter 38.1 of title 45 and, with respect to Notes or Bonds issued in connection with such financing agreements, if any, the Town may elect to have the provisions of chapter 38.1 of title 45 apply to the issuance of the Bonds or Notes issued hereunder to the extent the provisions of chapter 38.1 of title 45 are

inconsistent herewith. In addition, the Town may enter into financing agreements with the Rhode Island Infrastructure Bank pursuant to the provisions of chapter 12.2 of title 46 and, with respect to Notes or Bonds issued in connection with such financing agreements, if any, the Town may elect to have the provisions of chapter 12.2 of title 46 apply to the issuance of the Bonds or Notes issued hereunder to the extent the provisions of chapter 12.2 of title 46 are inconsistent herewith. Such election may be fixed by the proceedings of the Town Council authorizing such issuance or by separate resolution of the Town Council, or, to the extent provisions for these matters are not so made, they may be fixed by the officers authorized to sign the Bonds or Notes.

SECTION 6. Subject to Section 12 of this Ordinance, the Town Council hereby authorizes the Director of Finance and President of the Town Council, acting on behalf of the Town, to issue the Bonds and Notes for the purposes set forth herein and to take all actions as they deem necessary to effect the issuance of the Notes and Bonds. The Bonds and Notes shall be issued by the Town under its corporate name and seal or a facsimile of such seal. The Bonds and Notes shall be signed by the manual or facsimile signature of the Director of Finance and President of the Town Council.

SECTION 7. The Director of Finance and President of the Town Council are hereby authorized to issue the Bonds and Notes and deliver them to the purchaser. To the extent that the Bonds and Notes are to be issued on a tax-exempt basis, said officers are hereby authorized and instructed to take all actions, on behalf of the Town, necessary to ensure that interest on the Bonds and Notes will be excludable from gross income for federal income tax purposes and to refrain from all actions which would cause interest on the Bonds and Notes to become subject to federal income taxes. The Director of Finance and the President of the Town Council are further authorized to take all lawful action necessary or desirable to designate the Bonds and Notes as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

SECTION 8. The Bonds and Notes may be issued either alone or consolidated with other issues of notes or bonds of the Town.

SECTION 9. The Town’s Finance Director is authorized to execute and deliver continuing disclosure certificates in connection with the Bonds and Notes issued by the Town, in such form as shall be deemed advisable by the Town’s Finance Director. The Town hereby covenants and agrees that it will comply with and carry out all of the provisions of each continuing disclosure certificate, as it may be amended from time to time. Notwithstanding any other provision of this Ordinance or the Bonds or Notes, failure of the Town to comply with any continuing disclosure certificate shall not be considered an event of default; however, any bondholder or noteholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Town to comply with its obligations under this Ordinance and under any continuing disclosure certificate.

SECTION 10. The Director of Finance and President of the Town Council are also authorized, empowered and directed, on behalf of the Town, to: (i) execute, acknowledge and deliver any and all other documents, certificates or instruments necessary to effectuate such borrowing, including, without limitation, a Preliminary Official Statement, a final Official Statement, all in such form and with such provisions as such officer shall deem advisable; (ii) amend, modify or supplement the Bonds or Notes and any and all other documents, certificates or instruments at any

time and from time to time, in such manner and for such purposes as such officers shall deem necessary, desirable or advisable; (iii) do and perform all such other acts and things deemed by such officers to be necessary, desirable or advisable with respect to any matters contemplated by this Ordinance in order to effectuate said borrowing and the intent hereof.

SECTION 11. This Ordinance is an affirmative action of the Town Council toward the issuance of Bonds and Notes in accordance with the purposes of the laws of the State. This Ordinance constitutes the Town's declaration of official intent pursuant to Treasury Regulation Section 1.150-2 to reimburse the Town's General Fund or the School Fund for certain capital expenditures for the Projects paid on or after the date which is sixty (60) days prior to the date of this Ordinance, but prior to the issuance of the Bonds or Notes. Such amounts to be reimbursed shall not exceed \$5,000,000, and shall be reimbursed not later than eighteen (18) months after (a) the date on which the expenditure is paid, or (b) the date the Projects are placed in service or abandoned but in no event later than three (3) years after the date the expenditure is paid.

SECTION 12. No Bonds or Notes shall be issued pursuant to the authority of this Ordinance until a majority of the electors of the Town has approved the issuance of the Bonds and Notes. The question of the approval of the issuance of the Bonds and Notes shall be placed before the qualified electors of the Town at a local election to be held on a date designated by the Town Council, and shall be submitted in substantially the following form:

"Shall an Ordinance of the Town Council adopted on _____, 2019 authorizing the issuance of up to \$5,000,000 general obligation bonds of the Town pursuant to Rhode Island General Laws § 45-12-2 in order to finance the renovation, rehabilitation, repair, replacement, improvement, furnishing, equipping and installation of schools, school facilities and infrastructure, including but not limited to, safety and fire-code related improvements, roofs, heating, ventilation, electrical systems, landscaping, grounds, athletic fields, information technology, vehicles and food service facilities, be approved?"

SECTION 13. This Ordinance shall take effect upon passage.