

TOWN OF EAST GREENWICH, RHODE ISLAND

AN ORDINANCE AUTHORIZING THE TOWN OF EAST GREENWICH TO ISSUE NOT TO EXCEED \$4,500,000 GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS TO FINANCE THE CONSTRUCTION, EQUIPPING, EXTENSION, REPLACEMENT, REPAIR AND REHABILITATION OF THE TOWN'S SEWER LINES, SEWAGE COLLECTION, AND SEWAGE TREATMENT SYSTEM AND ALL ATTENDANT EXPENSES, INCLUDING BUT NOT LIMITED TO ENGINEERING COSTS

SECTION 1. The sum of \$4,500,000 is appropriated to finance the construction, equipping, extension, replacement, repair and rehabilitation of the Town's sewer lines, sewage collection, and sewage treatment system and all attendant expenses, including but not limited to engineering costs (the "Project").

SECTION 2. Subject to Section 11 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 \$4,500,000 (the "Bonds") in order to meet the foregoing appropriation.

SECTION 3. The said officers from time to time may issue and refund not exceeding \$4,500,000 interest bearing or discounted notes (the "Notes") in anticipation of the issue of said Bonds.

SECTION 4. 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 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 5. Subject to Section 11 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 6. 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 7. The Bonds and Notes may be issued either alone or consolidated with other issues of notes or bonds of the Town.

SECTION 8. 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 9. 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 10. 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 Sewer Fund for certain capital expenditures for the Project 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 \$4,500,000, 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 Project is placed in service or abandoned but in no event later than three (3) years after the date the expenditure is paid.

SECTION 11. 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 \$4,500,000 general obligation bonds of the Town pursuant to Rhode Island General Laws § 45-12-2 in order to finance the construction, equipping, extension, replacement, repair and rehabilitation of the town's sewer lines, sewage collection, and sewage treatment system and all attendant expenses, including but not limited to engineering costs, be approved?"

SECTION 12. This Ordinance shall take effect upon passage.