

(AN UNCODIFIED ORDINANCE)

AN ORDINANCE AUTHORIZING THE TOWN TO ISSUE UP TO \$4,500,000 GENERAL OBLIGATION REFUNDING SCHOOL BONDS

WHEREAS, the Town has previously issued its \$7,000,000 General Obligation School Bonds dated August 15, 2007 (the Prior Bonds”) to the Rhode Island Health and Educational Building Corporation (“RIHEBC”) to evidence a loan from RIHEBC to the Town for the septic systems and other repairs and renovations and/or related equipment at the Davisville, Fishing Cove, and Forest Park Elementary Schools and/or the Wickford Middle School and all costs incidental thereto; and

WHEREAS, such \$7,000,000 General Obligation School Bonds were issued to RIHEBC and serve as part of the security for RIHEBC’s \$19,615,000 Public Schools Revenue Bond Financing Program Revenue Bonds, Series 2007 B dated August 15, 2007 (the “Prior RIHEBC Bonds”); and

WHEREAS, the Town desires to issue General Obligation Refunding Bonds to refund the Prior Bonds in order to take advantage of the lower interest rates which currently are prevailing so as to enable RIHEBC to refund its prior RIHEBC Bonds with refunding bonds (the “RIHEBC Refunding Bonds”); and

WHEREAS, the issuance of the Refunding Bonds will result in a financial benefit to the Town.

NOW, THEREFORE, BE IT RESOLVED THAT:

SECTION 1. Pursuant to the authority contained in Section 45-12-5.2 of the General Laws of the State of Rhode Island, Chapters 532 and 564 of the Public Laws of 2004, and Chapter 45-38.1 of the General Laws, the Town Council hereby authorizes the issuance of bonds in an amount not to exceed \$4,500,000 (the “Refunding Bonds”) to refund all or a portion of the presently outstanding principal of and interest on the Prior Bonds, including payment of redemption premiums, if any, on the Prior Bonds or the Town’s allocable share of such premiums on the Prior RIHEBC Bonds, and interest on the Prior Bonds coming due on or prior to the date on which the Prior Bonds are to be redeemed, and costs of issuance of the Refunding Bonds including but not limited to the Town’s share of the cost of issuance of the RIHEBC Refunding Bonds.

SECTION 2. That said officers are hereby authorized to sell, execute and deliver the Refunding Bonds by negotiated to RIHEBC or as directed by RIHEBC, at such rates and with such premiums, if any, as the Town Treasurer and the President of the Town Council may determine in their sole discretion. Said officers shall also determine in their sole discretion, and the amounts, denominations, maturities, interest payment dates and manner of sale and all other details concerning other terms, conditions and details of the Refunding Bonds.

Without limiting the generality of the foregoing, said officers are authorized to enter into and execute financing and/or other agreements with RIHEBC and the trustee and/or underwriters for the RIHEBC Refunding Bonds and/or amendments to prior financing and/or other agreements with RIHEBC and/or its trustee.

SECTION 3. The Town Council President and the Town Treasurer are hereby authorized to execute and deliver on behalf of the Town such additional instruments, certificates and agreements as are necessary to effect the refunding and the issuance of the Refunding Bonds, the due authorization thereof being conclusively demonstrated by their execution and delivery of such instruments, certificates and agreements. Without limiting the generality of the foregoing, said officers are hereby specifically authorized to confirm and/or make additional findings that the refunding will result in a financial benefit to the Town.

SECTION 4. The Town Treasurer and the Town Council President acting singly are hereby authorized and instructed to take all actions, on behalf of the Town, necessary to ensure that interest on the Refunding Bonds will be excludable from gross income for federal income tax purposes, to refrain from all actions which would cause interest on the Refunding Bonds to become subject to federal income taxes, and if eligible to deem the Refunding Bonds, and to the extent not deemed to be, to designate the Refunding Bonds as "qualified tax-exempt obligations" for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended (the "Code").

The said officers are hereby authorized and instructed to take such action as to comply with Rule 15c2-12(b)(5) of the Securities and Exchange Commission and are authorized to execute and deliver a Continuing Disclosure Certificate. The Town hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, as it may be amended from time to time. Notwithstanding any other provision of this Ordinance or the Refunding Bonds, failure of the Town to comply with the Continuing Disclosure Certificate shall not be considered an event of default; however, any holder of the Refunding Bonds or the RIHEBC Refunding Bonds 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 Section and under the Continuing Disclosure Certificate.

SECTION 5. This Ordinance shall take effect upon its passage.

First Read at the Town Council Meeting of October 19, 2015 and referred to the Town Council Meeting of November 9, 2015 for Second Reading and Consideration of Adoption.

Adopted at the Town Council Meeting of November 9, 2015.

Jeannette Alyward  
Town Clerk