

THE CITY OF NEWPORT

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RESOLUTION

OF THE

COUNCIL

No.

RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION  
SCHOOL REFUNDING BONDS OF THE CITY OF NEWPORT TO REFUND  
THE CITY'S GENERAL OBLIGATION BONDS ISSUED TO THE RHODE ISLAND  
HEALTH AND EDUCATIONAL BUILDING CORPORATION AND THE CITY'S  
GENERAL OBLIGATION BOND DATED JUNE 20, 2013  
ISSUED FOR SCHOOL PURPOSES

WHEREAS, the City has previously issued its \$28,575,000 General Obligation Bonds, dated June 20, 2013 (the "Prior Bonds") to the Rhode Island Health and Educational Building Corporation ("RIHEBC") to evidence a loan from RIHEBC to the City to finance the design, acquisition, demolition, construction, repair, rehabilitation, improvement, furnishing and equipping of a new elementary school, including but not limited to, landscaping and construction management services; and

WHEREAS, the City desires to issue general obligation refunding bonds (the "Refunding Bonds") to refund the Prior Bonds which remain outstanding in order to take advantage of the lower interest rates which currently are prevailing;

NOW THEREFORE, BE IT RESOLVED,

SECTION 1. Pursuant to Rhode Island General Laws Section 45-12-5.2 the City is authorized to issue Refunding Bonds of the City in an amount necessary to refund all or a portion of the Prior Bonds issued for school purposes which remain outstanding and to provide for any principal of, redemption premium, 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.

SECTION 2. The issuance of the Refunding Bonds will result in a financial benefit to the City.

SECTION 3. The manner of sale, amount, denominations, maturities, conversion or registration privileges, interest rates, medium of payment, and other terms, conditions and details

of the Refunding Bonds authorized herein may be fixed by the officers authorized to sign the Refunding Bonds.

SECTION 4. The City Council hereby authorizes the Director of Finance and the Mayor acting on behalf of the City, to issue the Refunding Bonds for the purposes set forth in this resolution and to take all actions as they deem necessary to effect the issuance of the Refunding Bonds. The Refunding Bonds shall be issued by the City under its corporate name and seal or facsimile of such seal. The Refunding Bonds shall be signed by the manual or facsimile signature of the Director of Finance and the Mayor.

SECTION 5. The Director of Finance and the Mayor are also authorized, empowered and directed, on behalf of the City, 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 officers shall deem advisable; (ii) amend, modify or supplement the bonds and all other documents, certificates or instruments at any time and from time to time, in such manner and for such purposes as 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 resolution in order to effectuate said borrowing and the intent hereof. The City may enter into a financing and/or other agreements with RIHEBC pursuant to Title 45, Chapter 38.1 of the Rhode Island General Laws.

SECTION 6. The Director of Finance and the Mayor are hereby authorized to issue the Refunding Bonds on a taxable basis and deliver them to RIHEBC, and if requested by RIHEBC, said officers are hereby authorized and instructed to take all actions, on behalf of the City, necessary under the Internal Revenue Code of 1986, as amended, to ensure that interest on the Bonds issued by RIHEBC to fund loans to the City will be excludable from gross income from federal income tax purposes and to refrain from all actions which would cause interest on such Bonds issued by RIHEBC to become subject to federal income taxes.

SECTION 7. The Director of Finance and the Mayor are authorized to take all actions necessary to comply with federal tax and securities laws including Rule 15c2-12 of the Securities and Exchange Commission (the "SEC Rule") and to execute and deliver a Continuing Disclosure Certificate in connection with the Refunding Bonds in the form as shall be deemed advisable by the Director of Finance and the Mayor in order to comply with the SEC Rule. The City 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 resolution or the Refunding Bonds, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an event of default; however, any bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section and under the Continuing Disclosure Certificate.

SECTION 8. The proceeds arising from the sale of such Refunding Bonds, exclusive of any premium, accrued interest and costs of issuance, shall, upon the receipt be paid immediately to the paying agent for the Prior Bonds, and such paying agent shall hold the proceeds in trust

until they are applied to pay or refund the Prior Bonds. While such proceeds are held in trust, they may be invested as permitted by Chapter 12 of Title 45 of the General Laws of Rhode Island, as amended.

SECTION 9. The Refunding Bonds may be issued either alone or consolidated with other issues of bonds of the City.

SECTION 10. This resolution shall take effect upon passage.

In Council Read and Passed

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City Clerk