

TOWN OF CAPE ELIZABETH, MAINE

Vote authorizing expenditures of up to \$300,000
for cost of concept design for the new construction of Pond Cove/Middle School
and the issuance of bonds therefore

WHEREAS, subject to an approving vote of the voters of Cape Elizabeth, the Cape Elizabeth School Department proposes to construct a new elementary and middle school to replace the current Pond Cove Elementary School and Cape Elizabeth Middle School (the "Project"); and

WHEREAS, the School Department has requested that the Town authorize a borrowing to finance the cost of the concept design for the Project; and

NOW, THEREFORE, be it hereby voted by the Cape Elizabeth Town Council as follows:

VOTED: That the Town, acting by and through its School Department, be authorized to expend up to \$300,000 to fund the costs of the concept design for the Project.

VOTED: In order to provide funds for the Project, the Treasurer be and hereby is authorized to borrow up to \$300,000 in the name of and on behalf of the Town and that to effect such borrowing, the Treasurer be and hereby is authorized to issue the Town's general obligation bonds (and notes in anticipation thereof) in the amount to not to exceed \$300,000, the proceeds of which loan are hereby appropriated to fund the costs of the Project.

VOTED: The bonds and notes in anticipation thereof shall be signed by the Treasurer, countersigned by the Chair of the Town Council and attested by the Town Clerk, all in the name of and on behalf of the Town.

VOTED: The form, maturity, interest rate, terms and other details of said bonds and loan agreement shall be as determined by the Treasurer and the Chair of the Town Council by their execution thereof, not inconsistent herewith.

VOTED: That to the extent available under Section 265(b)(2) of the Code, the Treasurer, with the advice of Bond Counsel, be and hereby is authorized to designate said bonds or notes in anticipation thereof as a "qualified tax exempt obligation".

VOTED: The bonds and notes in anticipation thereof shall be either sold at public sale, or by negotiated sale in such manner as the Treasurer deems appropriate and in the best interest of the Town, and the Treasurer be and hereby is authorized to provide that any of the bonds and notes in anticipation thereof be made callable, with or without premium, prior to their maturity.

VOTED: That the Town covenants and certifies that no part of the proceeds of the bonds or notes in anticipation thereof shall be used, directly or indirectly, to acquire any securities or obligations, the acquisition of which would cause such bonds or notes in anticipation thereof to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") or "private activity bonds" within the meaning of Section 141 of the Code.

VOTED: That the Treasurer be and hereby is authorized to covenant in the name of and on behalf of the Town and for the benefit of the holders of the bonds or notes in anticipation thereof, that the Town will take whatever steps, and refrain from taking any action, as may be necessary or appropriate to ensure that interest on the bonds or notes in anticipation thereof will remain exempt from federal income taxes.

VOTED: That the Treasurer be and hereby is authorized to negotiate, execute, and deliver, in the name of and on behalf of the Town such contracts, agreements (including a bond purchase agreement), loan agreements, instruments, certificates and other documents as may be necessary or appropriate as determined and approved by the Treasurer in connection with the issuance of the bonds or notes in anticipation thereof, which documents shall be in such form and contain such terms and conditions, not inconsistent herewith, as may be approved by the Treasurer such approval to be conclusively evidenced by his execution thereof.

VOTED: That the Treasurer be and hereby is authorized to engage a financial advisor to the Town in connection with the issuance and sale of the bonds and to select an underwriter for the bonds and to execute and deliver such contracts or agreements as may be necessary or appropriate in connection therewith.

VOTED: That the Treasurer be and hereby is authorized to prepare, or cause to be prepared, a Preliminary Official Statement and an Official Statement for use in the offering and sale of the bonds and notes in anticipation thereof, such Preliminary Official Statement and Official Statement to be in such form and contain such information as may be approved by the Treasurer, with the advice of the bond counsel for the Town, and that the use and distribution of the Preliminary Official Statement and the Official Statement in the name of and on behalf of the Town in connection with offering the bonds or notes in anticipation thereof for sale be and hereby is approved.

VOTED: That the bonds heretofore authorized shall be transferable only on the registration books of the Town kept by the Transfer Agent, and said bonds of one maturity may be exchanged for an equal aggregate principal amount of the bonds of the same maturity (but not of other maturity) in minimum denominations of \$5,000 and any integral multiple in excess thereof (or such other minimum denomination as the Treasurer shall approve) upon surrender thereof at the principal office of the transfer agent, with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or his attorney duly authorized in writing. Upon each exchange or transfer of a bond the Town and the Transfer Agent shall make a charge sufficient to cover any tax, fee or any other governmental charge required to be payable with respect to such exchange or transfer, and with respect to such exchange or transfer, and subsequent to the first exchange or transfer, the cost of preparing new bonds upon exchanges or transfer thereof to be paid by the person requesting the same.

VOTED: That the Treasurer be and hereby is authorized to undertake all acts necessary to provide for the issuance and transfer of such bonds heretofore authorized in book-entry form pursuant to the Depository Trust Company Book-Entry Only System, as an alternative to the provisions of the foregoing paragraph above regarding physical transfer of bonds, and the Treasurer be and hereby is authorized and empowered to enter into a Letter of Representation or any other contract, agreement or understanding necessary or, in his opinion, appropriate in order

to qualify the bonds for and participate in the Depository Trust Company Book-Entry Only System.

VOTED That the Treasurer and Chair of the Town Council from time to time shall execute such bonds as may be required to provide for exchanges or transfers of bonds as heretofore authorized, all such bonds to bear the original signature of the Treasurer and Chair of the Town Council.

VOTED: That the officers executing the bonds be and hereby are individually authorized to covenant, certify and agree, on behalf of the Town, for the benefit of the holders of such bonds, that the Town will file any required reports, make any annual financial or material event disclosure, and take any other action that may be necessary to insure that the disclosure requirements imposed by Rule 15c2-12 of the Securities and Exchange Commission, if applicable, are met.

VOTED: That the Treasurer, Chair of the Town Council and Clerk and other proper officials of the Town be, and hereby are authorized and empowered in its name and on its behalf to do or cause to be done all such acts and things, not inconsistent herewith, as may be necessary or desirable in order to effect the issuance, sale and delivery of the bonds or loan agreement hereinabove authorized.

VOTED: That if any of the officers of the Town who have signed or sealed the bonds or notes in anticipation thereof shall cease to be such officers before the bonds or notes in anticipation thereof so signed and sealed shall have been actually authenticated or delivered by the Town, such bonds or notes in anticipation thereof nevertheless may be authenticated, issued, delivered and implemented with the same force and effect as though the person or persons who signed or sealed such bonds or notes in anticipation thereof had not ceased to be such officer; and also any such bonds or notes in anticipation thereof may be signed and sealed on behalf of the Town by those persons who, at the actual date of execution, shall be the proper officers of the Town, although at the nominal date of such execution, any such person shall not have been such officer.

VOTED: That if the Treasurer, Chair of the Town Council or Town Clerk are for any reason unavailable to approve and execute the bonds or notes in anticipation thereof or any other documents necessary or convenient to the issuance, execution and delivery of the bonds or notes in anticipation thereof, the person or persons then acting in any such capacity, whether as an assistant, a deputy, or otherwise, be and hereby is authorized to act for such official with the same force and effect as if such official had performed such act.

VOTED: That the investment earnings on the proceeds of the bonds and notes in anticipation thereof, if any, and the excess proceeds of the bonds or notes in anticipation thereof (including premium), if any, be and hereby are authorized to be used to pay issuance costs for the bonds or notes in anticipation thereof, interest during construction, and debt service on the bonds or notes in anticipation thereof, in that order of priority.

VOTED: That the bonds or notes in anticipation thereof may, if so determined by the Treasurer, be combined with any other bonds or notes duly authorized by the Town of Cape Elizabeth and together issued as a single bond issue in the aggregate amount of the bonds or notes so authorized.

VOTED: That in lieu of issuing notes in anticipation of the bonds authorized hereby, the Town Manager is authorized to advance available funds from the Town's General Fund to the School Department to finance the costs of the Project, which advances will be established as an interfund loan, under such terms and conditions as the Town Manager shall establish, consistent with Town policy.

VOTED: That these votes shall constitute the Town's official declaration of intent for purposes of Section 1.150 of the Treasury Regulations promulgated under the Code, and to the extent that any costs of the Project are paid by the Town from the general fund or other fund, such payments may be reimbursed from the proceeds of said bonds or notes.