

**AN ORDER MAKING AN APPROPRIATION OF
\$255,982,704 FOR THE COST OF CONSTRUCTION OF
A NEW SOMERVILLE HIGH SCHOOL LOCATED AT 81 HIGHLAND
AVENUE AND AUTHORIZING THE ISSUANCE OF
NOT EXCEEDING \$255,982,704 BONDS OF THE CITY
TO MEET SAID APPROPRIATION**

Ordered:

Section 1. That the Mayor's request for approval of the Board of Aldermen to make an appropriation of \$255,982,704 for the construction of a new Somerville High School, located at 81 Highland Avenue, Somerville, Massachusetts and for the payment of all costs incidental and related thereto, which school facility shall have an anticipated useful life as an educational facility for the instruction of school children of at least 50 years, said amount to be expended under the direction of the School Building Needs Commission; and authorizing the Mayor and the City Treasurer to issue not exceeding \$255,982,704 bonds of the City to meet said appropriation and pending the issuance thereof the making of temporary borrowings for such purpose is hereby approved; that the Mayor and the City Treasurer are the officers authorized to issue and sell said bonds or bond anticipation notes in accordance with the provisions set forth herein and under and pursuant to Chapters 44 and 70B of the General Laws of Massachusetts, or pursuant to any other enabling authority; that the City acknowledges that the Massachusetts School Building Authority's ("MSBA") grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any project costs the City incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the City; provided further that any grant that the City may receive from the MSBA for the Project shall not exceed the lesser of (1) 75.29 percent (%) of eligible, approved project costs, as determined by the MSBA, or (2) the total maximum grant amount determined by the MSBA; and that the amount of borrowing authorized pursuant to this order shall be reduced by any grant amount set forth in the Project Funding Agreement that may be executed between the City and the MSBA. Any premium received by the City upon the sale of any bonds or notes approved by this order, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this order in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.

Section 2. The bonds shall bear such rate or rates of interest as shall be determined by the Mayor and the City Treasurer. They shall be general obligations of the City and each of the bonds shall recite that every requirement of law relating to its issue has been duly complied with and that such bond is within every debt and other limit subscribed by law and that the full faith and credit of the City are pledged to the payment of the principal thereof and interest thereon. Said bonds shall be sold by the City Treasurer with the approval of the Mayor, in a competitive offering or by negotiation, in their discretion. If sold in a competitive offering, the bonds shall be sold at not less than ninety-eight percent of their face amount and accrued interest on the basis of the lowest net or true interest cost to the City. If the bonds are sold by negotiation, the

purchase agreement shall be subject to the approval of the Mayor and the City Treasurer, and their execution thereof shall be deemed as conclusive evidence of such approval.

Section 3. The City hereby expresses its official intent pursuant to §1.150-2 of the Federal Income Tax Regulations, Title 26 (the “Regulations”), to reimburse expenditures paid sixty days prior to and any time after the date of passage of this Order in the maximum amount and for the projects defined in Section 1 with the proceeds of bonds, notes, or other obligations authorized to be issued by the City. The bonds shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the project, or such later date the Regulations may authorize. The City hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The City Treasurer or his designee is authorized to pay project expenses in accordance herewith pending the issuance of reimbursement bonds, and to amend this declaration.

Section 4. The Mayor and the City Treasurer are hereby authorized, on behalf of the City to enter into agreements or otherwise covenant for the benefit of bondholders, to provide information on an annual or other periodic basis to the Municipal Securities Rulemaking Board (the “MSRB”) and to provide notices to the MSRB of significant events as enumerated in Securities and Exchange Commission Exchange Act Rule 15c2-12, as amended, as may be necessary, appropriate or desirable to effect the sale of the bonds and notes authorized by this Order. Any agreements or representations to provide information to the MSRB made prior hereto are hereby confirmed, ratified and approved.

Section 5. The amounts appropriated herein may be expended subject to approval of the Mayor and City Treasurer for costs of issuance of the bonds and additional fees associated with the provision of credit enhancement, including letters of credit or municipal bond insurance deemed necessary or desirable by them in connection with the issuance of the bonds and they are authorized to execute such reimbursement agreements, remarketing agreements, standby bond purchase agreements or other customary agreements as are normally required in connection therewith.

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