

**AN ORDER MAKING AN APPROPRIATION OF
\$33,185,258 FOR THE COST OF REHABILITATION AND RENOVATION OF
THE EAST SOMERVILLE COMMUNITY SCHOOL,
IN ORDER TO REPAIR SEVERE DAMAGE INCURRED DURING A 2007 FIRE
AT THE SCHOOL, INCLUDING A FEASIBILITY STUDY AND AUTHORIZING THE
ISSUANCE OF NOT EXCEEDING
\$33,185,258 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 \$33,185,258 for the cost of rehabilitation and renovation of the East Somerville Community School, located at 8 Bonair Street, Somerville, Massachusetts 02145 in order to repair severe damage incurred during a 2007 fire at the school, including a feasibility study and any other costs associated therewith (the "Project"), which proposed Project would materially extend the useful life of the school building described above and preserve an asset that otherwise is capable of supporting the required educational program, said sum to be expended under the direction of the Capital Projects Director; to meet said appropriation the City Treasurer, with the approval of the Mayor, is authorized to borrow an amount not exceeding said sum under M.G.L. Chapter 44, or any other enabling authority; that pending the issuance thereof the making of temporary borrowings for such purpose is hereby approved; 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) eighty percent (80%) 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 vote shall be reduced by (a) any amounts received from the MSBA and (b) any insurance proceeds received to compensate or reimburse the City for loss due to the fire, prior to the issuance of any bonds or notes under this vote.

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 anytime 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/her 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 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 Repositories 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.