

RESOLUTION AUTHORIZING A SUPPLEMENTAL APPROPRIATION OF \$15,000,000 FOR THE PLANNING, ACQUISITION, DESIGN AND CONSTRUCTION OF A SANITARY SEWER SYSTEM TO SERVE THE OLD COLONY BEACH CLUB ASSOCIATION AND AUTHORIZING THE ISSUANCE OF BONDS, NOTES OR OTHER OBLIGATIONS IN AN AMOUNT NOT TO EXCEED \$15,000,000 TO FINANCE SAID APPROPRIATION.

RESOLVED:

Section 1. That The Old Colony Beach Club Association in the Town of Old Lyme, Connecticut (the "Association") make a supplemental appropriation of \$15,000,000 for the planning, acquisition, design and construction of a sanitary sewer system to serve the Association including, but not limited to, connection fees for the conveyance of sewage to an existing regional sewerage facility and all costs associated with connecting to said regional sewerage facility, pump stations, acquisition of real property as may be required for the project, engineering, land surveying, geophysical studies, rights of way and easements, storm drainage improvements, road reconstruction, water distribution system improvements, and all other tasks related to the planning, acquisition, design and construction of said project, all to be completed in substantial accordance with plans and specifications as outlined in that certain study entitled "Wastewater Facilities Planning Report, Miami Beach Association, Old Lyme, CT," dated June 19, 2015, prepared by Fuss & O'Neill, Inc., as it may be amended from time to time, and for administrative, printing, legal and financing costs and other costs related thereto (collectively, the "Project"). The appropriation shall include any federal, state or other grants-in-aid, subsidies, loan forgiveness, or other funds received for the Project. The Chairman and Treasurer may reduce or modify the scope of the Project, and the entire appropriation may be expended on the Project as so reduced or modified. This supplemental appropriation is in addition to the \$13,000,000 appropriation previously approved by voters of the Association on September 7, 2019.

Section 2. That the Association shall finance said supplemental appropriation by issuing its bonds, notes or other obligations in an amount not to exceed \$15,000,000, or so much thereof as may be necessary after deducting any federal or state grants or subsidies, other grants-in-aid, principal loan forgiveness or other funds received for the Project. The bonds, notes or other obligations may, in whole or in part, be secured as to both principal and interest by (a) the full faith and credit of the Association, or (b) a pledge of revenues to be derived from the Project, including, without limitation, sewerage system use charges, sewerage system connection charges and sewerage system benefit assessments, or any combination thereof, or (c) a pledge of revenues to be derived from the Project, including, without limitation, sewerage system use charges, sewerage system connection charges and sewerage system benefit assessments, or any combination thereof, and also by the full faith and credit of the Association. The bonds, notes or other obligations shall be issued pursuant to the Connecticut General Statutes, as amended. The bonds, notes or other obligations may be sold as a single issue or consolidated with any other authorized issues of bonds or notes of the Association. The bonds, notes or other obligations may be in the form of interim funding obligations, interim funding obligations in anticipation of project loan obligations, and/or project loan obligations issued to the State of Connecticut under the State of Connecticut's Clean Water Fund Program. The Treasurer shall keep a record of the

bonds, notes or other obligations. The bonds, notes or other obligations shall be signed in the name and on behalf of the Association by the Chairman and Treasurer, shall bear the Association's seal or a facsimile thereof, shall each recite that every requirement of law relating to its issue has been fully complied with and that such bond, note or other obligation is within every debt and other limit prescribed by law, and shall state that either (a) the full faith and credit of the Association, or (b) a pledge of revenues to be derived from the Project, including, without limitation, sewerage system use charges, sewerage system connection charges and sewerage system benefit assessments, or any combination thereof, or (c) a pledge of revenues to be derived from the Project, including, without limitation, sewerage system use charges, sewerage system connection charges and sewerage system benefit assessments, or any combination thereof, and also by the full faith and credit of the Association, are pledged to the payment of the principal thereof and interest thereon. The aggregate principal amount, the dated date, final maturity, rate or rates of interest, the date, time of issue and sale and all other terms, details and particulars of such bonds, notes or other obligations shall be determined by the Chairman and Treasurer. Said bonds, notes or other obligations shall be sold by the Chairman and Treasurer at public sale, by negotiation or to the State under the Clean Water Fund Program, in their discretion. This supplemental bond authorization is in addition to the \$13,000,000 appropriation previously approved by voters of the Association on September 7, 2019.

Section 3. That the Chairman and Treasurer are authorized to issue temporary notes in anticipation of the receipt of the proceeds of said bonds, notes or other obligations, including issuing and renewing temporary notes in the form of interim funding obligations issued to the State of Connecticut under the State of Connecticut's Clean Water Fund Program. The temporary notes shall be signed by the Chairman and Treasurer and shall bear the Association seal or a facsimile thereof. The temporary notes shall be issued with maturity dates in accordance with the Connecticut General Statutes, as amended, or the State of Connecticut's Clean Water Fund Program, as applicable. The temporary notes shall each recite that every requirement of law relating to its issue has been fully complied with, that such temporary note is within every debt and other limit prescribed by law, and that the temporary notes, in whole or in part, are secured as to both principal and interest by either (a) the full faith and credit of the Association, or (b) a pledge of revenues to be derived from the Project, including, without limitation, sewerage system use charges, sewerage system connection charges and sewerage system benefit assessments, or any combination thereof, or (c) a pledge of revenues to be derived from the Project, including, without limitation, sewerage system use charges, sewerage system connection charges and sewerage system benefit assessments, or any combination thereof, and also by the full faith and credit of the Association. The net interest cost on such temporary notes, including renewals thereof, and the expense of preparing, issuing, and marketing such temporary notes, to the extent paid from the proceeds from the issuance of bonds, notes, other obligations, or project loan obligations, shall be included as a cost of the supplemental appropriation.

Section 4. That the Association hereby declares its official intent under Treasury Regulation Section 1.150-2 of the Internal Revenue Code of 1986, as amended, that the Project costs may be paid from temporary advances of available funds and that the Association reasonably expects to reimburse any such advances from the proceeds of borrowings in an aggregate principal amount not in excess of the amount of borrowing authorized for the Project; that the Chairman and Treasurer are authorized to bind the Association pursuant to such

representations and agreements as they deem necessary or advisable in order to ensure and maintain the continued exemption from federal income taxation of interest on the bonds, notes or temporary notes authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years; and that the Chairman and Treasurer are authorized to make representations and agreements for the benefit of the holders of the bonds, notes or temporary notes to provide secondary market disclosure information and to execute and deliver on behalf of the Association an agreement to provide such information with such terms and conditions as they, with the advice of bond counsel, deem necessary and appropriate, including bonds, notes or temporary notes issued by the State of Connecticut under the State of Connecticut's Clean Water Fund Program.

Section 5. That the Chairman, or the Chairman's designee, is authorized to contract with vendors and others on behalf of the Association for the Project and to approve construction expenditures for the Project.

Section 6. That the Chairman, or the Chairman's designee, is hereby authorized, empowered and directed in the name and on behalf of the Association to apply for and accept or reject any federal or state grants or subsidies, other grants-in-aid, loans and principal loan forgiveness and to execute and deliver to the State of Connecticut one or more project loan and project grant agreements and/or project loan and project grant and principal forgiveness agreements or similar agreements with the State of Connecticut, and such other instruments, documents and agreements for and on behalf of the Association, and the Chairman, Treasurer and other Association officials and employees are authorized to take all actions necessary and proper to obtain such grants, subsidies, grants-in-aid, loans and principal loan forgiveness and to take such other and further action, as shall be deemed necessary, appropriate or desirable to carry out the purpose and intent of the foregoing resolution, to implement such project loan and project grant agreements and/or project loan and project grant and loan forgiveness agreements, to carry out the Project, to effectuate the transactions contemplated hereby, and to issue the bonds, notes, temporary notes or other obligations to finance the appropriation.