

## TOWN OF HOLDEN

ORDINANCE AUTHORIZING THE BORROWING OF FUNDS TO FINANCE THE CONSTRUCTION OF A NEW POLICE STATION THROUGH ISSUANCE OF GENERAL OBLIGATION BONDS OR NOTES OF THE TOWN OF HOLDEN WHICH MAY BE CALLABLE IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$100,000.

The Town of Holden hereby ordains as follows:

Section 1. That pursuant to Section 5772 of Title 30-A, Maine Revised Statutes, as amended, the Charter of the Town and any other applicable authority under Maine law, the Town of Holden is hereby authorized to borrow a principal amount not to exceed in the aggregate One Hundred Thousand Dollars (\$100,000), said amount to be payable over a period not to exceed fifteen (15) years, at such interest rates and on such further terms and conditions as may be approved by the Treasurer and a majority of the Town Council, the proceeds of said loan to be used substantially to finance the construction of a new police station (the "Project"). Said loan to be evidenced by the General Obligation Bond or Bonds of the Town to be executed and delivered on behalf of the Town by the Town Treasurer and countersigned by a majority at least of the Town Council (the "Bond") in a principal amount not to exceed \$100,000. The Bond may be subject to call for redemption as determined by the Town Treasurer and majority of the Town Council.

Section 2. That in anticipation of the receipt of the Bond proceeds for the Project, pursuant to the Charter of the Town and Section 5772 of Title 30-A of the Maine Revised Statutes, as amended, and any other applicable authority under the laws of the State of Maine, the Town of Holden is hereby authorized to borrow from a lending institution approved by the Town Treasurer and a majority at least of the Town Council a principal amount not to exceed One Hundred Thousand Dollars (\$100,000) and in evidence thereof to execute and deliver one or more General Obligation Bond Anticipation Notes (the "Note") of the Town for a period not to exceed one year and to bear interest at such rate and said note to be subject to such further terms and conditions as the Town Treasurer and a majority at least of the Town Council shall approve, and said Note, together with interest thereon, to be a general obligation of the Town, and intended to be repaid from the Bond, said Note to be executed and delivered on behalf of the Town by the Town Treasurer and countersigned by a majority at least of the Town Council, and such Note may be refunded from time to time for a period not to exceed an aggregate of three years, with proceeds to be used to provide temporary funds to accomplish the Project.

Section 3. That the Town Treasurer, or other officers designated by the Town Council, be and each of them hereby is authorized to execute such documents and do all things necessary or convenient in order to issue the Bond or Note, or any part authorized, to execute and deliver such loan applications as may be necessary or appropriate to a lending institution approved by the Town Treasurer and a majority at least of the Town Council. The Treasurer, or other officers designated by the Town Council, is further authorized to execute any and all loan agreements or

resolutions required by said lending institution, in such form as may be required by said lending institution.

Section 4. That the Town Clerk shall distribute a copy of this ordinance to each Council member and to the Town Manager, and shall file a reasonable number of copies of this ordinance in the office of the Town Clerk and shall post a copy of this ordinance together with a Notice of Public Hearing at the following public places: Holden Municipal Building, Holden Post Office, as well as such other places as may be directed by the Town Manager.

Section 5. That a Public Hearing be held at 6:00 p.m. in the Holden Municipal Building in Holden, Maine on January 25, 2010, for the purpose of taking testimony and comments from the public with respect to the proposed issuance of the Bond, and that notice of the public hearing be given by the Town Clerk by publishing a summary of this ordinance and a place where copies of the complete ordinance have been filed and times available for inspection in the Bangor Daily News on or before January 16, 2010, together with a notice setting forth the time and place for the public hearing, and for the consideration of the proposed ordinance by the Town Council at a meeting to be held on January 25, 2010, immediately following the public hearing.

Section 6. That all actions heretofore taken by the Town Council of the Town of Holden relating to the selling of the Town's General Obligation Bond and Note authorized hereby be, and they hereby are, ratified, approved and confirmed.

Section 7. That pursuant to the requirements of the Internal Revenue Code of 1986, as amended, the Town designates the Bond and the Note to be "qualified tax exempt obligations" of the Town; and that the Town shall not issue in 2010 an aggregate total amount of qualified tax exempt obligations in excess of \$30,000,000. Further, the Town does not reasonably expect to issue qualified tax exempt obligations in an amount in excess of \$5,000,000 during 2010.

Section 8. That the Town shall take any and all actions required under the Internal Revenue Code of 1986, as amended, to maintain the tax exempt status of the interest on the Bond and Note, and to maintain the status of the Bond and the Note as "qualified tax exempt obligations" of the Town, and that the Bond and the Note may be subject to such further terms and conditions as may be agreed to by a majority at least of the Councilors and the Treasurer of the Town to carry into effect the full intent of this ordinance.

Section 9. That the Town Council is hereby authorized to retain bond counsel for the Town to advise the Town with respect to the issuance and sale of the Bond and the Note, and to prepare documents and render opinions as may be necessary or convenient for that purpose.

Section 10. That the Town Council and officials of the Town are hereby authorized to execute all documents and certificates, and to take all action, including affixing the seal of the Town, as may be necessary or convenient to carry out the full intent of this ordinance, and to accomplish the Project and issue the Bond and the Note, including approval and signing of contracts and other agreements obligating the Town.

Section 11. Pursuant to Section 2.13(6) (b) of the Town Charter, this ordinance shall go into effect upon adoption by the Town Council of the Town of Holden.

January 25, 2010  
Date Adopted

HOLDEN TOWN COUNCIL

John Bryant  
John Bryant, Chairman

Robert Harvey  
Robert Harvey, Vice Chairman

ABSENT  
Paul Amoroso

Ralph McLeod  
Ralph McLeod

Joel Swanton  
Joel Swanton

This Financial Statement is required to accompany Municipal borrowing proposals

TOWN OF HOLDEN

1. Total Town Indebtedness
  - A. Bonds outstanding and unpaid: \$850,581.00
  - B. Bonds authorized and unissued: \$-0-
  - C. Bonds to be issued if this question is approved: \$100,000

TOTAL: \$950,581.00

2. Costs

At an estimated maximum interest rate of 4.125%, the estimated costs of this bond issue will be \$134,274.16 for a term of fifteen (15) years.

Principal: \$100,000.00

Interest: \$ 34,274.16

Total Debt Service: \$134,274.16

3. Validity

The validity of the bonds and of the voters' ratification of the bonds may not be affected by any errors in the above estimates. If the actual amount of the total debt service or the bond issue varies from the estimate, the ratification by the electors is nevertheless conclusive and the validity of the bond issue is not affected by reason of the variance.



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John W. Butts  
Treasurer, Town of Holden