



Memorandum

09/25/2017

To: Honorable Town Council

From: Graham Waters, Town Manager

Cc: Robert Thibeault, Director of Finance

Re: Questions regarding the Town's Sewer Program

I received the following questions from Councilwoman Carlson this past weekend regarding the Town's Sewer Program. Attached to this memo are the answers to the below questions. The Finance Director, Bob Thibeault, Tax Collector, Monique Houle, and my Executive Assistant, Stephani In were crucial in providing the answers to these questions on such short notice.

Detailed financials on funding:

1. What's been expensed over the term of the project from the beginning?
2. Have we received state or federal money towards the project?
3. What agreements have been made between the town and businesses/developers to assist the town in funding sewer installations?
4. Who are the businesses; e.g., Boston Scientific and Brady Sullivan, etc.
5. How much has been collected and how much has been forgiven?
6. How much of the project has been funded by voters approved bonds? Bond issuance and total cost of the bonds.
7. Have loans been taken out by the town through the RI Infrastructure Bank? Secured or unsecured?
8. What have been the assessment fees charged to the taxpayers historically?
Bob T.
9. How much are the betterment fees?
10. Who has been charged betterment fees, have they paid them, how much has been collected?
11. What are the hookup fees for taxpayer from the beginning to current?
12. Is it mandatory by town or state law that a taxpayer hook up to the sewers?
13. What about businesses?
14. Are certain businesses and fire departments required to hookup and also install holding tanks for water?
Then have the additional cost of having the tanks pumped in addition to sewer fees?
15. What businesses?

16. Who sets these rules and regulations?
17. A report of the total income from the sewers from the beginning of the sewer installations
18. Is the sewer fund almost bankrupt? How can that happen??
19. History of the sewer subcommittee; who has been appointed, number of terms, qualifications
20. A complete list of contractors who have been awarded contracts for sewer projects; construction, engineering, etc.

This document contains the answers to Councilwoman Carlson`s 9/23 questions regarding Sewer. The answers are provided by the Finance Director, Tax Collector, and the Sewer Coordinator Clerk. Any answers that could not be answered are noted in red font.

- **Detailed financials on funding:**

- On June 28, 2012 the Town secured \$2,400,000 in funding to construct sewers in the Quidnick section of Town. This loan is known as the Wastewater System Revenue Bonds, 2012 Series A. Weston & Sampson completed engineering & design work for the project at a cost of \$160,340.51, which was charged to the 2012A bond proceeds. Because of the high concentration of ledge in the Quidnick area and the potential for sewer assessments per property exceeding \$20,000, the then Town Council decided not to proceed with sewer construction in the Quidnick neighborhood. The remaining bond proceeds were then repurposed to Contract 7 & 7A, which was the Flat River Rd/Industrial Drive/Town Buildings project. Contract 7 & 7A was supposed to be funded with the \$2,400,000 Wastewater System Revenue Bonds, 2013 Series A.
- Because Contract 7 & 7A was funded with the remaining 2012 Series A proceeds, this left the 2013A funds available for use but without approved sewer projects to spend the funds on. In April of 2016, Weston & Sampson presented a summary of sewer extension options for consideration, which included Arnold Road North, Wendell Ave area, partial Quidnick area (4 streets), another partial Quidnick area (Hazard St. only), Rawlinson Dr, Coventry Dr., and Nooseneck Hill area (Rt 3).
- Ultimately the Town Council, via recommendations from the Sewer Sub-Committee, chose to fund Arnold Rd North and Hazard St. These two projects are DEM approved and have received state approval to proceed. Coventry Dr. engineering has been completed and I believe that design work is in process; however this job does not yet have state approval to proceed. The Wendell Ave. area has been proposed to be the final area funded with the \$2.4M if there are funds remaining from the 2013A proceeds.

- Specific questions regarding the funding for the projects listed above can be found in the 2013 Series A Bond Documents CD which is enclosed.
 - The Arnold Rd. South Sewer Project has been funded with a \$750,000 loan from All-American Investment Group, LLC. The RIIB would not fund this project as it is not its policy to fund sewer projects that will not immediately be used. This line will not be put into service until after the Briar Point project construction has been completed. Details of the funding for this project are attached as the set of documents with the lead document being the KS State Bank document.
- **What's been expensed over the term of the project from the beginning?**
 - Contract 8A (Arnold Rd North), \$994,670.83 has been expensed on the project to date with another \$49,649.86 remaining to be billed. The total project cost will be \$1,044,320.69. A \$209,333.43 IBF(Interceptor Bond Fund) Grant was secured with the help of Weston & Sampson, so the cost of construction that the total assessments needs to cover is \$834,987.26.
 - Contract 8B (Quidnick – Hazard St.): \$11,169.53
 - Contract 8C (Coventry Dr.): \$12,859.72
 - Contract 8D (Wendall Ave): \$24,255.93
 - Arnold Rd South: \$689,108.60
- **Have we received state or federal money towards the project?**
 - The only state or federal funding that we have received is the previously mentioned \$209,333.43 IBF(Interceptor Bond Fund) Grant with the help of Weston & Sampson. This Grant was applied to Contract 8A (Arnold Rd. North).
- **What agreements have been made between the town and businesses/developers to assist the town in funding sewer installations?**
 - None to my knowledge; however I would recommend that the questions be asked of others that may have more historical knowledge that I have regarding the history of the Town`s sewer program.

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- **Who are the businesses; e.g., Boston Scientific and Brady Sullivan, etc.**
 - To my and Monique`s knowledge, here`s the businesses that have received Town Council approved relief on sewer assessments and businesses that Councilwoman Carlson inquired about.
 - Brady Sullivan-Anthony Mill Apartments-Original Assessment under Anthony Mills Properties \$34,327.00. A Betterment Assessment was sent for \$360,443.35 Sept 22, 2016. Previous agreement made with Brady Sullivan led to Jan Council Res. 05-17-4820 abating \$282,421.18 which left a balance of \$60,000.00 which was paid in full on Feb 7, 2017.
 - Brady Sullivan-Harris Mill had an agreement for no additional assessment. Original Assessment under CRW was \$79,830.00. Amount paid was \$20,332.52. Remaining balance was abated per court settlement Abt# 01-119 processed 05/31/2001. Betterment on apartments was never calculated.
 - Boston Scientific-No deal. Total Assessment \$400,278.55. Current with payments. Amount paid to date \$62,843.74.
 - Bio Science-No monetary deal. Original Assessment was \$183,000 under G-Tech. \$28,731.00 has been paid by G-Tech and IGT Global. Nothing being forgiven. 2 year deferment only, suggested, at last Sewer Sub-Committee meeting for Council approval.

- **How much has been collected and how much has been forgiven?**
 - Please see above.

- **How much of the project has been funded by voters approved bonds?**

Bond issuance and total cost of the bonds.

 - None of the projects/funding have been approved by the voters. The loans are pledges of system revenues; therefore are not subject voter approval.
 - Since the inception of the sewer program, the following sewer debt has been issued “issued” by Coventry:
 - 2003 \$3,400,000 RIEDC Immunex Issue (Retired & replaced with the 2013 \$8,185,000 RICWFA Conduit issue)

- Mid 2000`s to 2013 Tax Anticipation Note (Replaced with the 2013 \$8,185,000 RICWFA Conduit issue)
 - 2006 \$3,205,000 Series A RICWFA issue
 - 2007 \$5,000,000 Series A RICWFA issue
 - 2009 \$2,896,000 Series A RICWFA issue
 - 2012 \$2,400,000 Series A RICWFA Issue
 - 2013 \$2,400,000 Series A RICWFA Issue
 - 2013 \$8,185,000 RICWFA Conduit Issue
 - 2017 \$750,000 Arnold Rd South Dryline Issue
 - 2017 \$450,000 Industrial Dr./Flat River Rd. Issue
 - Since the inception of the sewer program, the following sewer debt has been “issued” by West Warwick and Coventry is responsible for paying various percentages of:
 - 2003 \$1,120,000 West Warwick Wastewater Facility of which Coventry is responsible for 22.20%
 - 2004 & 2006 \$3,500,000 Upper Masie Quinn Pump Station of which Coventry is responsible for 27.39%
 - 2005 \$7,719,340 Lower Maisie Quinn Pump Station & Forced Main Project of which Coventry is responsible for 27.39%
 - 2007 \$1,675,000 Clyde Interceptor Project of which Coventry is responsible for 44.20%
 - 2016 \$12,500,000 West Warwick Wastewater Facility Phosphorus Removal Upgrade of which Coventry is responsible for 21.38%
 - See the attached Sewer Debt Statistics from the Town`s FY18 Debt Service Book for more information
- **Have loans been taken out by the town through the RI Infrastructure Bank? Secured or unsecured?**
 - See above. All loans are secured by a pledge of system revenues.
- **What have been the assessment fees charged to the taxpayers historically?**
 - 1997 Real Estate \$3,500 per unit/ Mobile Home
\$1,750/Commercial \$30/\$1,000 Asmt Value

- 2003 Real Estate \$4,200 per unit/ Mobile Home
\$2,100/Commercial \$35/\$1,000 Asmt Value
 - 2004 Real Estate \$6,600 per unit/ Mobile Home \$3,300
/Commercial \$55/\$1,000 Asmt Value
 - 2009 Base rates stayed the same but a CPI (Value of money per
Consumer Price Index) was added
 - 2013 Real Estate \$12,900 per unit/Mobile Home
\$6,600/Commercial \$60/\$1,000 Asmt Value
 - 2015 New Ordinance based on GPD. Original Rates were Residential
\$60.86/GPD and Commercial \$80/GPD
- **How much are the betterment fees?**
 - For Residential it is based on total # of Bedrooms x 115 gals per
bedroom x 25%. For Commercial, it is based on Design Flow or if
that is not available, Estimate of Design Flow per DEM Standards x
25%. This is in addition to an initial assessment that was charged
based on the cost of construction. The Betterment Assessment is
charged for a change in use. Currently, we are charging betterment
fees to those new houses built on East Shore Drive. An initial
Assessment of \$13,997.80 was charged to each of the 5 vacant parcels
of land that the development was being cut from. Each house, once
complete will be charged a betterment based on the # of bedrooms.
The 2017 billing include 4- 3 bedroom houses at \$5,249.18 per house.
 - **Who has been charged betterment fees, have they paid them, how much
has been collected?**
 - See previous answer-Just started billing, due date for 1st qtr. Oct 15,
2017 with a grace period until Oct. 31, 2017. \$328.09 paid to date.
 - **What are the hookup fees for taxpayer from the beginning to current?**
 - Each taxpayer is responsible for the cost of the connection from the
Town's main line to their homes. The connection from the property
line into their house is dependent on the contractor/plumber the
resident chooses. The Town has sourced D'Ambra Construction to

connect the resident line from the property line into the Town's Force Main Line. This is done by a town controlled contractor so as to provide quality assurance for all sewer lines on town property.

- **Is it mandatory by town or state law that a taxpayer hook up to the sewers?**

- Yes per Section 2.4 of the Town's Sewer Ordinance as amended in 2015. It states *"The owners of all houses, buildings, or properties used for human occupancy, employment, recreation, or other purposes, situated within the Town and abutting on any street, alley, or right-of-way in which there is located, a public sewer of the Town, are hereby required at their expense to install suitable toilet facilities therein, and to connect such facilities directly with the proper public sewer in accordance with the provisions of these regulations, within one (1) year after date of receipt of official notice from the Town. Said connections shall be made without exception, unless for reasons as determined by the Town and unless a waiver is granted by the Town Council."*
- Some of the financing the Town has received from the federal government requires property owners to hook into the Town's line, but this is a requirement of the financing originator.

- **What about businesses?**

- Section 2.4 also applies to businesses, fire districts and Town buildings.

- **Are certain businesses and fire departments required to hookup and also install holding tanks for water? Then have the additional cost of having the tanks pumped in addition to sewer fees?**

- To our knowledge there has never been a requirement for a business or fire department to install a holding tank for water.

- **What businesses?**

- See the previous answer.

- **Who sets these rules and regulations?**
 - See the previous answers.

- **A report of the total income from the sewers from the beginning of the sewer installations.**
 - This information would take some time to compile. It will be provided at a future date.

- **Is the sewer fund almost bankrupt? How can that happen??**
 - The Sewer Fund is not bankrupt; however the total Unrestricted Fund Balance per annual audited financial statements is as follows:
 - FY12: \$5,417,208
 - FY13: \$3,311,390
 - FY14: \$4,290,475
 - FY15: \$3,921,548
 - FY16: \$1,482,809
 - It is highly anticipated that the Unrestricted Fund Balance will increase during the next five years as we receive assessments and use fees from the 2013 Sesies A Loan that we are paying debt service on but have not yet received the aforementioned revenues from.

- **History of the sewer subcommittee; who has been appointed, number of terms, qualifications.**
 - Please see the attached list. Please note that the list is a working copy and is not the final list.

- **A complete list of contractors who have been awarded contracts for sewer projects; construction, engineering, etc.**

- Please see the attached list. Please note that the list is a working copy and is not the final list.



2627 KFB Plaza STE 202E
Manhattan, KS 66503 | 877-587-4054

June 7, 2017

Town of Coventry, Rhode Island
Mr. Robert Thibeault
1670 Flat River Road
Coventry, RI 02816

Re: Government Obligation Contract dated as of May 01, 2017 between Town of Coventry, Rhode Island (Obligor) and All American Investment Group, LLC (Obligee) / Contract #3351430

Dear Mr. Thibeault:

Enclosed please find a fully executed copy of the above referenced Contract for your files.

Your first payment on this Contract is due May 15, 2018 in the amount of \$91,504.07. Unless we notify you otherwise, please mail all payments to:

KS StateBank
Government Finance
P.O. Box 69
Manhattan, KS 66505-0069

If you should have any questions regarding your payments, please do not hesitate to contact us at (877) 587-4054. For additional financing needs, please contact All American Investment Group, LLC at (303) 623-5100.

Sincerely,

Mr. Garret Wilson
Client Relations & Contract Specialist
Government Finance Department

Enclosure

USA Patriot Act
USA Patriot Act requires identity verification for all new accounts. This means that we may require information from you to allow us to make a proper identification.

GOVERNMENT OBLIGATION CONTRACT

Obligor
Town of Coventry, Rhode Island
1670 Flat River Road
Coventry, Rhode Island 02816

Obligee
All American Investment Group, LLC
730 17th Street, Suite 830
Denver, Colorado 80202

Dated as of May 1, 2017

This Government Obligation Contract dated as of the date listed above is between Obligor and Obligee listed directly above. Obligee desires to finance the purchase of the Project described in Exhibit A to Obligor and Obligor desires to have Obligee finance the purchase of the Project subject to the terms and conditions of this Contract which are set forth below. This Contract is executed in conjunction with the Base Lease dated as of May 1, 2017 between the same parties listed above. Now therefore, in consideration of the premises contained hereafter, the parties hereby agree as follows:

I. Definitions

Section 1.01 Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

- "Additional Schedule" refers to the proper execution of additional schedules to Exhibit A and Exhibit B, as well as other exhibits or documents that may be required by the Obligee all of which relate to the financing of additional real property and/or equipment.
- "Base Lease" means the Base Lease executed in conjunction with this Contract by the same parties which sets forth, among other things, the remedies available to Obligee in the Event of Default or non-appropriation by Obligor.
- "Budget Year" means the Obligor's fiscal year.
- "Commencement Date" is the date when Obligor's obligation to pay Contract Payments begins.
- "Contract" means this Government Obligation Contract and all Exhibits attached hereto, all addenda, modifications, schedules, refinancing's, guarantees and all documents relied upon by Obligee prior to execution of this Contract.
- "Contract Payments" means the payments Obligor is required to make under this Contract as set forth on Exhibit B.
- "Contract Term" means the Original Term and all Renewal Terms.
- "Exhibit" includes the Exhibits attached hereto, and any "Additional Schedule", whether now existing or subsequently created.
- "Government" as used in the title hereof means a State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended ("Code"), or a constituted authority or district authorized to issue obligations on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b), or a qualified volunteer fire company within the meaning of section 150(e)(1) of the Code.
- "Obligee" means the entity originally listed above as Obligor or any of its assignees.
- "Obligor" means the entity listed above as Obligor and which is financing the Project through Obligee under the provisions of this Contract.
- "Original Term" means the period from the Commencement Date until the end of the Budget Year of Obligor.
- "Partial Prepayment Date" means the first Contract Payment date that occurs on or after the earlier of (a) the twenty-four month (24) anniversary of the Commencement Date or (b) the date on which Obligor has accepted all the Project and all amounts have been disbursed from the Vendor Payable Account to pay for the Project.
- "Project" means the real property and/or any equipment listed on Exhibit A and any Additional Schedule, whether now existing or subsequently created, and all replacements, restorations, modifications and improvements.
- "Purchase Price" means the total cost of the Project, including all delivery charges, installation charges, legal fees, financing costs, recording and filing fees and other costs necessary to vest full, clear legal title to the Project in Obligor, subject to the Base Lease and to the security interest granted to and retained by Obligee as set forth in this Contract, and otherwise incurred in connection with the financing of this Project.
- "Renewal Term" means the annual term which begins at the end of the Original Term and which is simultaneous with Obligor's Budget Year and each succeeding Budget Year for the number of Budget Years necessary to comprise the Contract Term.
- "State" means the state in which Obligor is located.
- "Surplus Amount" means any amount on deposit in the Vendor Payable Account on the Partial Prepayment Date.
- "Vendor Payable Account" means the separate account of that name established pursuant to Section X of this Contract.

II. Obligor Warranties

Section 2.01 Obligor represents warrants and covenants as follows for the benefit of Obligee or its assignees:

- (a) Obligor is an "issuer of tax exempt obligations" because Obligor is the State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended, (the "Code") or because Obligor is a constituted authority or district authorized to issue obligations on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b), or a qualified volunteer fire company within the meaning of section 150(e)(1) of the Code.
- (b) Obligor has complied with any requirement for a referendum and/or competitive bidding.
- (c) Obligor has complied with all statutory laws and regulations that may be applicable to the execution of this Contract; Obligor, and its officer executing this Contract, are authorized under the Constitution and laws of the State to enter into this Contract and have used and followed all proper procedures of its governing body in executing and delivering this Contract. The officer of Obligor executing this Contract has the authority to execute and deliver this Contract. This Contract constitutes a legal, valid, binding and enforceable obligation of the Obligor in accordance with its terms.
- (d) Obligor shall use the Project only for essential, traditional government purposes. Project shall at all times remain on real property owned solely by Obligor, upon which there are no, and will be no mortgages, liens or encumbrances, except as created herein.
- (e) Should the IRS disallow the tax-exempt status of the interest portion of the Contract Payments as a result of the failure of the Obligor to use the Project for governmental purposes, or should the Obligor cease to be an issuer of tax exempt obligations, or should the obligation of Obligor created under this Contract cease to be a tax exempt obligation for any reason, then Obligor shall be required to pay additional sums to the Obligee or its assignees so as to bring the after tax yield on this Contract to the same level as the Obligee or its assignees would obtain if the transaction continued to be tax-exempt.
- (f) Obligor has never non-appropriated funds under a contract similar to this Contract.
- (g) Obligor will submit to the Secretary of the Treasury an information reporting statement as required by the Code.
- (h) Upon request by Obligee, Obligor will provide Obligee with current financial statements, reports, budgets or other relevant fiscal information.
- (i) Obligor shall retain the Project free of any hazardous substances as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et. seq. as amended and supplemented.
- (j) Obligor hereby warrants the General Fund of the Obligor is the primary source of funds or a backup source of funds from which the Contract Payments will be made.
- (k) Obligor presently intends to continue this Contract for the Original Term and all Renewal Terms as set forth on Exhibit B hereto. The official of Obligor responsible for budget preparation will include in the budget request for each Budget Year the Contract Payments to become due in such Budget Year, and will use all reasonable and lawful means available to secure the appropriation of money for such Budget Year sufficient to pay the Contract Payments coming due therein. Obligor reasonably believes that moneys can and will lawfully be appropriated and made available for this purpose.
- (l) Obligor has selected both the Project and the vendor(s) from whom the Project is to be purchased upon its own judgment and without reliance on any manufacturer, merchant, vendor or distributor, or agent thereof, of such real property and/or equipment to the public.
- (m) Obligor owns free and clear of any liens or any additional collateral pledged, subject only to the lien described herein; Obligor has not and will not, during the Contract Term, create, permit, incur or assume any liens, liens or encumbrances of any kind with respect to the Project and any additional collateral except those created by this Contract and the Base Lease.

Section 2.02 Escrow Agreement. In the event both Obligee and Obligor mutually agree to utilize an Escrow Account, then immediately following the execution and delivery of this Contract, Obligee and Obligor agree to execute and deliver and to cause Escrow Agent to execute and deliver the Escrow Agreement. This Contract shall take effect only upon execution and delivery of the Escrow Agreement by the parties thereto. Obligee shall deposit or cause to be deposited with the Escrow Agent for credit to the Project Acquisition Fund the sum of \$/A, which shall be held, invested and disbursed in accordance with the Escrow Agreement.

III. Acquisition of Project, Contract Payments and the Purchase Option Price

Section 3.01. Acquisition and Acceptance. Obligor shall be solely responsible for choosing the contractor. The Payment Request and Project Acceptance Form must be signed by the same authorized individual(s) who signed the Signature Card, Exhibit G. By making a Contract Payment after its receipt of the Project pursuant to this Contract, Obligor shall be deemed to have accepted the Project on the date of such Contract Payment for purposes of this Contract. All Contract Payments paid prior to delivery of the Payment Request and Project Acceptance Form shall be credited to Contract Payments as they become due as shown on the Contract Payment Schedule attached as Exhibit B hereto.

Section 3.02. Contract Payments. Obligor shall pay Contract Payments exclusively to Obligee or its assignees in lawful, legally available money of the United States of America. The Contract Payments shall be sent to the location specified by the Obligee or its assignees. The Contract Payments shall constitute a current expense of the Obligor and shall not constitute an indebtedness of the Obligor. The Contract Payments, payable without notice or demand, are due as set forth on Exhibit B. Obligee shall have the option to charge interest at the highest lawful rate on any Contract Payment received later than the due date for the number of days that the Contract Payment(s) were late, plus any additional accrual on the outstanding balance for the number of days that the Contract Payment(s) were late. Obligee shall also have the option, on monthly payments only, to charge a late fee of up to 10% of the monthly Contract Payment that is past due. Furthermore, Obligor agrees to pay any fees associated with the use of a payment system other than check, wire transfer, or ACH. Once all amounts due Obligee hereunder have been received, Obligee will release any and all of its rights, title and interest in the Project.

SECTION 3.03. Contract Payments Unconditional. Except as provided under Section 4.01, THE OBLIGATIONS OF OBLIGOR TO MAKE CONTRACT PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS CONTAINED IN THIS CONTRACT SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF, OR SUBJECT TO DEFENSE OR COUNTERCLAIM.

Section 3.04. Purchase Option Price. Upon thirty (30) days written notice, Obligor shall have the option to pay, in addition to the Contract Payment, the corresponding Purchase Option Price which is listed on the same line on Exhibit B. This option is only available to the Obligor on the Contract Payment date and no partial prepayments are allowed. If Obligor chooses this option and pays the Purchase Option Price to Obligee then Obligee will transfer any and all of its rights, title and interest in the Project to Obligor.

Section 3.05. Contract Term. The Contract Term shall be the Original Term and all Renewal Terms until all the Contract Payments are paid as set forth on Exhibit B except as provided under Section 4.01 and Section 3.01 below. If, after the end of the budgeting process which occurs at the end of the Original Term or any Renewal Term, Obligor has not non-appropriated as provided for in this Contract then the Contract Term shall be extended into the next Renewal Term and the Obligor shall be obligated to make all the Contract Payments that come due during such Renewal Term.

Section 3.06. Disclaimer of Warranties. OBLIGEE MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR ANY OTHER WARRANTY WITH RESPECT TO THE PROJECT. OBLIGEE IS NOT A MANUFACTURER, SELLER, VENDOR OR DISTRIBUTOR, OR AGENT THEREOF, OF SUCH PROJECT; NOR IS OBLIGEE A MERCHANT OR IN THE BUSINESS OF DISTRIBUTING SUCH PROJECT TO THE PUBLIC. OBLIGEE SHALL NOT BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE ARISING OUT OF THE INSTALLATION, OPERATION, POSSESSION, STORAGE OR USE OF THE PROJECT BY OBLIGOR.

IV. Non-Appropriation

Section 4.01. Non-Appropriation. If insufficient funds are available in Obligor's budget for the next Budget Year to make the Contract Payments for the next Renewal Term and the funds to make such Contract Payments are otherwise unavailable by any lawful means whatsoever, then Obligor may non-appropriate the funds to pay the Contract Payments for the next Renewal Term. Such non-appropriation shall be evidenced by the passage of an ordinance or resolution by the governing body of Obligor specifically prohibiting Obligor from performing its obligations under this Contract and from using any moneys to pay the Contract Payments due under this Contract for a designated Budget Year and all subsequent Budget Years. If Obligor non-appropriates, then all obligations of the Obligor under this Contract regarding Contract Payments for all remaining Renewal Terms shall be terminated at the end of the then current Original Term or Renewal Term without penalty or liability to the Obligor of any kind provided that if Obligor has not delivered possession of the Project to Obligee as provided herein and conveyed to Obligee or released its interest in the Project by the end of the last Budget Year for which Contract Payments were paid, the termination shall nevertheless be effective but Obligor shall be responsible for the payment of damages in an amount equal to the amount of the Contract Payments thereafter coming due under Exhibit B which are attributable to the number of days after such Budget Year during which Obligor fails to take such actions and for any other loss suffered by Obligee as a result of Obligor's failure to take such actions as required. Obligor shall immediately notify the Obligee as soon as the decision to non-appropriate is made. If such non-appropriation occurs, then Obligor shall surrender possession of the Project to Obligee, which will include among other things, the removal of items of personal property of the Obligor from the Project. Obligor shall deliver any equipment that is a part of the Project to a location designated by Obligee. Furthermore, Obligee will be authorized to exercise its rights under the Base Lease. Obligor shall be liable for all damage to the Project other than normal wear and tear.

V. Insurance, Damage, Insufficiency of Proceeds

Section 5.01. Insurance. Obligor shall maintain casualty insurance, liability insurance, and if applicable, flood insurance at its own expense with respect to the Project. Obligor shall be solely responsible for selecting the insurer(s) and for making all premium payments and ensuring that all policies are continuously kept in effect during the period when Obligor is required to make Contract Payments. Obligor shall provide Obligee with a Certificate of Insurance which lists the Obligee and/or assigns as a loss payee and an additional insured on the policies with respect to the Project.

- (a) Obligor shall insure the Project against any loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Obligee in an amount at least equal to the then applicable Purchase Option Price of the Project. Alternatively, Obligor may insure the Project under a blanket insurance policy or policies.
- (b) The liability insurance shall insure Obligee from liability and property damage in any form and amount satisfactory to Obligee.
- (c) Obligor may self-insure against the casualty risks and liability risks described above. If Obligor chooses this option, Obligor must furnish Obligee with a certificate and/or other documents which evidences such coverage.
- (d) All insurance policies issued or affected by this section shall be so written or endorsed such that the Obligee and its assignees are named additional insureds and loss payees and that all losses are payable to Obligor and Obligee or its assignees as their interests may appear. Each policy issued or affected by this Section shall contain a provision that the insurance company shall not cancel or materially modify the policy without first giving thirty (30) days advance notice to Obligee or its assignees. Obligor shall furnish to Obligee certificates evidencing such coverage throughout the Contract Term.
- (e) Obligor hereby agrees that it will purchase and maintain flood insurance if the Project at any time during the Contract Term is located in a special flood hazard area if flood insurance is available. Such flood insurance shall be in an amount equal to the then applicable Purchase Option Price. If the Obligor fails to purchase flood insurance as required herein, then Obligee may purchase flood insurance and Obligor will be responsible for all expenses incurred.

Section 5.02. Damage to or Destruction of Project. Obligor assumes the risk of loss or damage to the Project. If the Project or any portion thereof is lost, stolen, damaged, or destroyed by fire or other casualty, Obligor will immediately report all such losses to all possible insurers and take the proper procedures to obtain all insurance proceeds. At the option of Obligee, Obligor shall either (1) apply the Net Proceeds to replace, repair or restore the Project or (2) apply the Net Proceeds to the applicable Purchase Option Price. For purposes of this Section and Section 5.03, the term Net Proceeds shall mean the amount of insurance proceeds collected from all applicable insurance policies after deducting all expenses incurred in the collection thereof.

Section 5.03. Insufficiency of Net Proceeds. If there are no Net Proceeds for whatever reason or if the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement of the Project, then Obligor shall, at the option of Obligee, either (1) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds or (2) apply the Net Proceeds to the Purchase Option Price and pay the deficiency, if any, to the Obligee.

Section 5.04. Obligor Negligence. Obligor assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Project and for injury to or death of any person or damage to any property whether such injury or death be with respect to agents or employees of Obligor or of third parties, and whether such property damage be to Obligor's property or the property of others (including, without limitation, liabilities for loss or damage related to the release or threatened release of hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act or similar or successor law or any State or local equivalent now existing or hereinafter enacted which in any manner arise out of or are incident to any possession, use, operation, condition or storage of any Project by Obligor), which is proximately caused by the negligent conduct of Obligor, its officers, employees and agents.

Section 5.05. Indemnification. Obligor hereby assumes responsibility for and agrees to reimburse Obligee for all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Obligee that in any way relate to or arise out of a claim, suit or proceeding, based in whole or in part upon the negligent conduct of Obligor, its officers, employees and agents, or arose out of installation, operation, possession, storage or use of any item of the Project, to the maximum extent permitted by law.

VI. Title and Security Interest

Section 6.01. Title. Title to the Project shall be in the name of the Obligor subject to the Base Lease. Title to the Project will automatically transfer to the Obligee in the event Obligor non-appropriates under Section 4.01 or in the event Obligor defaults under Section 3.01. In such event, Obligor shall execute and deliver to Obligee such documents as Obligee may request to evidence the passage of legal title to the Project to Obligee.

Section 6.02. Security Interest. To secure the payment of all Obligor's obligations under this Contract, as well as all other obligations, debts and liabilities, plus interest thereon, whether now existing or subsequently created, Obligor hereby grants to Obligee a security interest under the Uniform Commercial Code constituting a first lien on the Project described more fully on Exhibit A, including any and all additional collateral listed on any other Exhibit A. The security interest established by this section includes not only all additions, attachments, repairs and replacements to the Project but also all proceeds therefrom. Obligor authorizes Obligee to prepare and record any Financing Statement required under the Uniform Commercial Code to perfect the security interest created hereunder.

VII. Assignment

Section 7.01. Assignment by Obligor. All of Obligor's rights, title and/or interest in and to this Contract may be assigned and reassigned in whole or in part to one or more assignees or sub-assignees by Obligor at any time without the consent of Oblige. No such assignment shall be effective as against Obligor until the assignor shall have filed with Obligor written notice of assignment identifying the assignee. Obligor shall pay all Contract Payments due hereunder relating to such Project to or at the direction of Oblige or the assignee named in the notice of assignment. Obligor shall keep a complete and accurate record of all such assignments.

Section 7.02. Assignment by Oblige. None of Obligor's right, title and interest under this Contract and in the Project may be assigned by Obligor unless Oblige approves of such assignment in writing before such assignment occurs and only after Obligor first obtains an opinion from nationally recognized counsel stating that such assignment will not jeopardize the tax-exempt status of the obligation.

VIII. Maintenance of Project

Section 8.01. Project. Obligor shall keep the Project in good repair and working order, and as required by manufacturer's and warranty specifications. If Project consists of copiers, Obligor is required to enter into a copier maintenance/service agreement. Oblige shall have no obligation to inspect, test, service, maintain, repair or make improvements or additions to the Project under any circumstances. Obligor will be liable for all damage to the Project, other than normal wear and tear, caused by Obligor, its employees or its agents. Obligor shall pay for and obtain all permits, licenses and taxes related to the ownership, installation, operation, possession, storage or use of the Project. If the Project includes any titled vehicle(s), then Obligor is responsible for obtaining such title(s) from the State and also for ensuring that Oblige is listed as First Lienholder on all of the title(s). Obligor shall not use the Project to haul, convey or transport hazardous waste as defined in the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et. seq. Obligor agrees that Oblige or its Assignee may execute any additional documents including financing statements, affidavits, notices, and similar instruments, for and on behalf of Obligor which Oblige deems necessary or appropriate to protect Oblige's interest in the Project and in this Contract. Obligor shall allow Oblige to examine and inspect the Project at all reasonable times.

IX. Default

Section 9.01. Events of Default defined. The following events shall constitute an "Event of Default" under this Contract:

- (a) Failure by Obligor to pay any Contract Payment noted on Exhibit B for fifteen (15) days after such payment is due according to the Payment Date listed on Exhibit B.
- (b) Failure to pay any other payment required to be paid under this Contract at the time specified herein and a continuation of said failure for a period of fifteen (15) days after written notice by Oblige that such payment must be made. If Obligor continues to fail to pay any payment after such period, then Oblige may, but will not be obligated to, make such payments and charge Obligor for all costs incurred plus interest at the highest lawful rate.
- (c) Failure by Obligor to observe and perform any warranty, covenant, condition, promise or duty under this Contract for a period of thirty (30) days after written notice specifying such failure is given to Obligor by Oblige, unless Oblige agrees in writing to an extension of time. Oblige will not unreasonably withhold its consent to an extension of time if corrective action is instituted by Obligor. Subsection (c) does not apply to Contract Payments and other payments discussed above.
- (d) Any statement, material omission, representation or warranty made by Obligor in or pursuant to this Contract which proves to be false, incorrect or misleading on the date when made regardless of Obligor's intent and which materially adversely affects the rights or security of Oblige under this Contract.
- (e) Any provision of this Contract which ceases to be valid for whatever reason and the loss of such provision would materially adversely affect the rights or security of Oblige.
- (f) Except as provided in Section 4.03 above, Obligor admits in writing its inability to pay its obligations.
- (g) Obligor defaults on one or more of its other obligations.
- (h) Obligor becomes insolvent, is unable to pay its debts as they become due, makes an assignment for the benefit of creditors, applies for or consents to the appointment of a receiver, trustee, conservator, custodian, or liquidator of Obligor, or all or substantially all of its assets, or a petition for relief is filed by Obligor under federal bankruptcy, insolvency or similar laws, or is filed against Obligor and is not dismissed within thirty (30) days thereafter.

Section 9.02. Remedies on Default. Whenever any Event of Default exists, Oblige shall have the right to take one or any combination of the following remedial steps:

- (a) With or without terminating this Contract, Oblige may declare all Contract Payments and other amounts payable by Obligor hereunder to the end of the then current Budget Year to be immediately due and payable.
- (b) Exercise Oblige's rights as set forth in the Base Lease.
- (c) With or without terminating this Contract, Oblige may require Obligor at Obligor's expense to deliver any or all equipment that is part of the Project and any additional collateral to a location specified by Oblige. Such delivery shall take place within fifteen (15) days after the event of default occurs. If Obligor fails to deliver the equipment that is a part of the Project and any additional collateral, Oblige may enter the premises where such equipment and any additional collateral are located and take possession of such equipment and additional collateral and charge Obligor for cost incurred. Notwithstanding that Oblige has taken possession of such equipment and any additional collateral, Obligor shall still be obligated to pay the remaining Contract Payments due up until the end of the then current Original Term or Renewal Term. Obligor will be liable for any damage to the equipment and any additional collateral caused by Obligor or its employees or agents.
- (d) Oblige may take whatever action at law or in equity that may appear necessary or desirable to enforce its rights. Obligor shall be responsible to Oblige for all costs incurred by Oblige in the enforcement of its rights under this Contract including, but not limited to, reasonable attorney fees.

Section 9.03. No Remedy Exclusion. No remedy herein conferred upon or reserved to Oblige is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impact any such right or shall be construed to be a waiver thereof.

X. Vendor Payable Account

Section 10.01. Establishment of Vendor Payable Account. On the date that the Oblige executed this Contract, which is on or after the date that the Obligor executes this Contract, Oblige agrees to (i) make available to Obligor an amount sufficient to pay the total Purchase Price for the Project by establishing a separate, non-interest bearing account (the "Vendor Payable Account"), as agent for Obligor's account, with a financial institution that Oblige selects that is acceptable to Obligor (including Oblige or any of its affiliates) and (ii) to deposit an amount equal to such Purchase Price as reflected on Exhibit B in the Vendor Payable Account. Obligor hereby further agrees to make the representations, warranties and covenants relating to the Vendor Payable Account as set forth in Exhibit C attached hereto. Upon Obligor's delivery to Oblige of a Payment Request and Project Acceptance Form in the form set forth in Exhibit F attached hereto, Obligor authorizes Oblige to withdraw funds from the Vendor Payable Account from time to time to pay the Purchase Price, or a portion thereof, for each Item of Project as it is delivered to Obligor. The Payment Request and Project Acceptance Form must be signed by an authorized individual acting on behalf of Obligor. The authorized individual or individuals designated by the Obligor must sign the Signature Card which will be kept in the possession of the Oblige.

Section 10.02. Down Payment. Prior to the disbursement of any funds from the Vendor Payable Account, the Obligor must either (1) deposit all the down payment funds that the Obligor has committed towards the purchase of the Project into the Vendor Payable Account or (2) Obligor must provide written verification to the satisfaction of the Oblige that all the down payment funds Obligor has committed towards the purchase of the Project have already been spent or are simultaneously being spent with the funds requested from the initial Payment Request and Project Acceptance Form. For purposes of this section, the down payment funds committed towards the Project from the Obligor are the down payment funds that were represented to the Oblige at the time this transaction was submitted for credit approval by the Obligor to the Oblige.

Section 10.03. Disbursement upon Non-appropriation or Default. If an event of non-appropriation or default occurs prior to the Partial Prepayment Date, the amount then on deposit in the Vendor Payable Account shall be retained by the Oblige and Obligor will have no interest therein.

Section 10.04. Surplus Amount. Any Surplus Amount then on deposit in the Vendor Payable Account on the Partial Prepayment Date shall be applied to pay on such Partial Prepayment Date a portion of the Purchase Option Price then applicable.

Section 10.05. Recalculation of Contract Payments. Upon payment of a portion of the Purchase Option Price as provided in Section 10.04 above, each Contract Payment thereafter shall be reduced by an amount calculated by Oblige based upon a fraction the numerator of which is the Surplus Amount and the denominator of which is the Purchase Option Price on such Partial Prepayment Date. Within 15 days after such Partial Prepayment Date, Oblige shall provide to Obligor a revised Exhibit B to this Contract, which shall take into account such payment of a portion of the Purchase Option Price thereafter and shall be and become thereafter Exhibit B to this Contract. Notwithstanding any other provision of this Section 10, this Contract shall remain in full force and effect with respect to all or the portion of the Project accepted by Obligor as provided in this Contract, and the portion of the principal component of Contract Payments remaining unpaid after the Partial Prepayment Date plus accrued interest thereon shall remain payable in accordance with the terms of this Contract, including revised Exhibit B hereto which shall be binding and conclusive upon Oblige and Obligor.

XI. Miscellaneous

Section 11.01. Notices. All notices shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business as first set forth herein or as the parties shall designate hereafter in writing.

Section 11.02. Binding Effect. Obligor acknowledges this Contract is not binding upon the Oblige or its assignees unless the Conditions to Funding listed on the Documentation Instructions have been met to Oblige's satisfaction, and Oblige has executed the Contract. Thereafter, this Contract shall inure to the benefit of and shall be binding upon Oblige and Obligor and their respective successors and assigns.

Section 11.03. Severability. In the event any provision of this Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.04. Amendments, Addenda, Changes or Modifications. This Contract may be amended, added to, changed or modified by written agreement duly executed by Obligor and Oblige. Furthermore, Oblige reserves the right to directly charge or amortize into the remaining balance due from Obligor, a reasonable fee, to be determined at that time, as compensation to Oblige for the additional administrative expense resulting from such amendment, addenda, change or modification requested by Obligor.

Section 11.05. Execution in Counterparts. This Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.06. Captions. The captions or headings in this Contract do not define, limit or describe the scope or intent of any provisions or sections of this Contract.

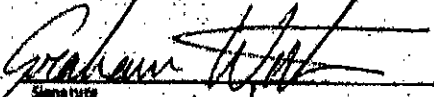
Section 11.07. Master Contract. This Contract can be utilized as a Master Contract. This means that the Oblige and the Obligor may agree to the financing of additional Project under this Contract at some point in the future by executing one or more Additional Schedules to Exhibit A and Exhibit B, as well as other exhibits or documents that may be required by Oblige. Additional Schedules will be consecutively numbered on each of the exhibits which make up the Additional Schedule and all the terms and conditions of the Contract shall govern each Additional Schedule.

Section 11.08. Entire Writing. This Contract along with the Base Lease constitutes the entire writing between Oblige and Obligor. No waiver, consent, modification or change of terms of this Contract shall bind either party unless in writing and signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, representations, conditions, or warranties, express or implied, which are not specified herein regarding this Contract, the Project or any additional collateral, financed hereunder. Any terms and conditions of any purchase order or other documents submitted by Obligor in connection with this Contract which are in addition to or inconsistent with the terms and conditions of this Contract will not be binding on Oblige and will not apply to this Contract.

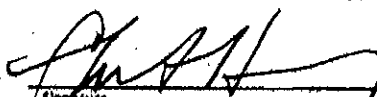
Oblige and Obligor have caused this Contract to be executed in their names by their duly authorized representatives listed below.

Town of Coventry, Rhode Island

All American Investment Group, LLC



Signature
Graham Waters Town Manager
Printed Name and Title



Signature
Charles A. Hoag EVP
Printed Name and Title

EXHIBIT A
DESCRIPTION OF PROJECT

RE: Government Obligation Contract dated as of May 1, 2017, between All American Investment Group, LLC (Obligee) and Town of Coventry, Rhode Island (Obligor)

Below is a detailed description of all the items of the Project including quantity, model number and serial number where applicable:

Town Hall Annex Building located at 1675 Flat River Road, Coventry, Rhode Island 02816 used as Substitute Collateral for Water and Sewer Improvements

Pursuant to Section 6.02, Obligor grants to Obligee a first security interest, properly recorded and perfected pursuant to the Uniform Commercial Code in all furnishings, furniture, and general intangibles now owned, to be acquired with Contract proceeds including all replacements, substitutions, and additions thereto, in connection with the Project described directly above.

As referenced in the Contract, Obligee and Obligor have entered into a Base Lease dated as of May 1, 2017 under which Obligor granted to Obligee an interest in the real property upon which the Project sits according to the terms and conditions therein.

Physical Address of Project after Delivery:

1675 Flat River Road, Coventry, Rhode Island 02816

Legal Description

Address: 1675 Flat River Road, Coventry, Rhode Island 02816

Parcel ID: 0059-013.000

PARCEL ONE

Beginning at a granite bound set in the northeasterly line of Flat River Road at the southeasterly corner of the parcel being conveyed, which point is the southwesterly corner of land now or formerly of Conrad Carlson and wife Edith Carlson; thence running northwesterly bounded southwesterly by Flat River Road one hundred sixty-seven and 27/100 (167.27) feet to a point; thence turning an interior angle of $183^{\circ} 25' 58''$ and continuing northwesterly, bounded southwesterly by Flat River Road, two hundred eighty-five and 14/100 (285.14) feet to a granite bound, which granite bound is located at the southwesterly corner of the parcel being conveyed and is fifty (50) feet southwesterly of the southeasterly corner of land of James J. Iuliano et ux as measured along the northeasterly line of Flat River Road; thence turning an interior angle of $83^{\circ} 53' 04''$ and running northeasterly bounded northwesterly by parcel number 2 one hundred seven and 13/100 (107.13) feet to a point; thence turning an interior angle of $198^{\circ} 33' 02''$ and running northeasterly bounded northwesterly by parcel number 2 six hundred eighty-two and 78/100 (682.78) feet to a point; thence turning an interior angle of $188^{\circ} 00' 00''$ and running northerly bounded westerly by parcel number 2 one hundred forty and 51/100 (140.51) feet to a point; thence turning an interior angle of $173^{\circ} 09' 48''$ and running northerly bounded westerly by parcel number 2 one hundred four and 55/100 (104.55) feet to a point; the last four courses which are bounded on parcel number 2 are parallel with the fifty (50) feet distant from said Iuliano land; thence turning an interior angle of $171^{\circ} 30' 00''$ and running northeasterly bounded northwesterly by parcel number 2 three hundred ninety-eight and 97/100 (398.97) feet to a granite bound; said granite bound being located at the northwesterly corner of the parcel being conveyed; thence turning an interior angle of $94^{\circ} 38' 07''$ and running southwesterly bounded northeasterly by other land of Frederick J. Walker four hundred forty-seven and 73/100 (447.73) feet to a granite bound at the northeasterly corner of the parcel being conveyed; thence turning an interior angle of 90° and running southwesterly bounded southeasterly by other land of Frederick J. Walker in part and in part by land of Conrad and Edith Carlson a distance of fifteen hundred eleven and 43/100 (1511.43) feet to the granite bound located at Flat River Road at the point and place of beginning, the last described line forming an interior angle of $76^{\circ} 50' 01''$ with the first described line. Said parcel contains fifteen (15.00) acres of land.

PARCEL TWO

Beginning at a granite bound set in the northeasterly line of Flat River Road at the southeasterly corner of the parcel being conveyed, which point is the southwesterly corner of parcel number 1 described above and which point is located fifty (50) feet southeasterly of the southeasterly corner of land of James J. Iuliano and wife as measured along the northeasterly line of Flat River Road; thence from said granite bound at the point of beginning running northeasterly on a course which forms an exterior angle of $83^{\circ} 53' 04''$ with the northeasterly line of Flat River Road one hundred seven and $13/100$ (107.13) feet to a point bounded southeasterly by parcel number 1; thence turning an exterior angle of $198^{\circ} 33' 02''$ and running northeasterly bounded southeasterly by said parcel number 1 six hundred eighty-two and $78/100$ (682.78) feet to a point thence turning an exterior angle of $188^{\circ} 00' 00''$ and running northerly bounded easterly by parcel number 1 one hundred forty and $51/100$ (141.51) feet to a point; thence turning an exterior angle of $173^{\circ} 09' 48''$ and running northerly bounded easterly by parcel number 1 one hundred four and $55/100$ (104.55) feet to a point; the last four courses are parallel to and fifty (50) feet distant from land of said James J. Iuliano et ux; thence turning an exterior angle of $171^{\circ} 30' 00''$ and running northeasterly bounded southeasterly by parcel number 1 three hundred ninety-eight and $97/100$ (398.97) feet to a granite bound; thence turning an interior angle of $85^{\circ} 21' 53''$ and running in a general northwesterly direction bounded northeasterly by other land of Frederick J. Walker fifty (50) feet to a point; thence turning in interior angle of $94^{\circ} 38' 07''$ and running southwesterly bounded northwesterly by other land of Frederick J. Walker on a line fifty (50) feet northwesterly from and parallel with parcel number 1 three hundred ninety-eight and $97/100$ (398.97) feet to a point which is the northeasterly corner of land of James J. Iuliano et ux; thence turning an interior angle of $171^{\circ} 30' 00''$ and running in a general southerly direction bounded westerly by said Iuliano land one hundred four and $55/100$ (140.55) feet to a point; thence turning an interior angle of $173^{\circ} 09' 48''$ and running in a general southerly direction bounded westerly by said Iuliano land one hundred forty and $51/100$ (140.51) feet to a point; thence turning an interior angle of $188^{\circ} 00' 00''$ and running in a general southwestery direction bounded northwesterly by said Iuliano land six hundred eighty two and $78/100$ (682.78) feet to a point; thence turning an interior angle of $198^{\circ} 33' 02''$ and continuing in a general southwestery direction bounded northwesterly by said Iuliano land one hundred seven and $13/100$ (107.13) feet to a point in the northeasterly line of Flat River Road; thence turning and running in a general southeasterly direction along the northeasterly line of Flat River Road fifty (50) feet to the granite bound at the point or place of beginning.

Subject to that certain Right of Way over said parcel number 2 which is a fifty (50) foot wide strip, which is to be used for a roadway or highway, for all purposes for which highways are customarily used as set forth in Book 71 at page 362.

**EXHIBIT B
PAYMENT SCHEDULE**

RE: Government Obligation Contract dated as of May 1, 2017, between All American Investment Group, LLC (Obligee) and Town of Coventry, Rhode Island (Obligor)

Date of First Payment: May 15, 2018
 Original Balance: \$750,000.00
 Total Number of Payments: Ten (10)
 Number of Payments Per Year: One (1)

Pmt. No.	Due Date	Contract Payment	Applied to Interest	Applied to Principal	*Purchase Option Price
1	15-May-18	\$91,504.07	\$28,424.99	\$63,079.08	\$704,193.92
2	15-May-19	\$91,504.07	\$26,034.30	\$65,469.77	\$635,583.19
3	15-May-20	\$91,504.07	\$23,552.99	\$67,951.08	\$564,741.99
4	15-May-21	\$91,504.07	\$20,877.65	\$70,526.42	\$491,597.62
5	15-May-22	\$91,504.07	\$18,304.70	\$73,199.37	\$416,075.39
6	15-May-23	\$91,504.07	\$15,530.44	\$75,973.63	\$338,097.93
7	15-May-24	\$91,504.07	\$12,651.04	\$78,853.03	\$257,585.42
8	15-May-25	\$91,504.07	\$9,662.51	\$81,841.56	\$174,455.45
9	15-May-26	\$91,504.07	\$6,560.72	\$84,943.35	\$88,622.93
10	15-May-27	\$91,504.07	\$3,341.36	\$88,162.71	\$0.00

Town of Coventry, Rhode Island

Signature

Printed Name and Title

* Assumes all Contract Payments due to date are paid

EXHIBIT C

ACCEPTANCE OF OBLIGATION
TO COMMENCE CONTRACT PAYMENTS UNDER EXHIBIT B

RE: Government Obligation Contract dated as of May 2, 2017, between All American Investment Group, LLC (Obligee) and Town of Coventry, Rhode Island (Obligor)

I, the undersigned, hereby certify that I am a duly qualified representative of Obligor and that I have been given the authority by the governing body of Obligor to sign this Acceptance of Obligation to commence Contract Payments with respect to the above referenced Contract. I hereby certify that:

1. The Project described on Exhibit A has not been completed and is not available for use as of the Commencement date of this Contract.
2. Obligor acknowledges that Obligee has agreed to deposit into a Vendor Payable Account an amount sufficient to pay the total purchase price (the "Purchase Price") for the Project so identified in such Exhibit A;
3. The principal amount of the Contract Payments in the Exhibit B accurately reflects the Purchase Price;
4. Obligor agrees to execute a Payment Request and Project Acceptance Form authorizing payment of the Purchase Price, or a portion thereof, for each withdrawal of funds from the Vendor Payable Account.

Notwithstanding that the Project has not been delivered to or accepted by Obligor on the date of execution of the Contract, Obligor hereby warrants that:

- (a) Obligor's obligation to commence Contract Payments as set forth in Exhibit B is absolute and unconditional as of the Commencement Date and on each date set forth in Exhibit B thereafter, subject to the terms and conditions of the Contract;
- (b) immediately upon completion of the Project, Obligor will notify Obligee of Obligor's final acceptance of the Project by delivering to Obligee the "Payment Request and Project Acceptance Form" in the form set forth in Exhibit F attached to the Contract;
- (c) in the event that any Surplus Amount is on deposit in the Vendor Payable Account when an event of non-appropriation or default under the Contract occurs, then those amounts shall be applied as provided in Section 10 of the Contract;
- (d) regardless of whether Obligor delivers a final Payment Request and Project Acceptance Form, all Contract Payments paid prior to completion of the Project shall be credited to Contract Payments as they become due under the Contract as set forth in Exhibit B.

Town of Coventry, Rhode Island

Signature

Printed Name and Title

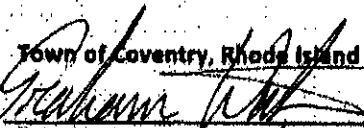

Graham Winters, Town Manager

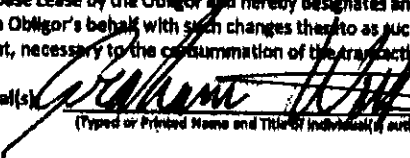
EXHIBIT D
OBLIGOR RESOLUTION

RE: Government Obligation Contract dated as of May 1, 2017, between All American Investment Group, LLC (Obligee) and Town of Coventry, Rhode Island (Obligor)


At a duly called meeting of the Governing Body of the Obligor (as defined in the Contract) held on April 10, 2017 the following resolution was introduced and adopted:


BE IT RESOLVED by the Governing Body of Obligor as follows:

1. **Determination of Need.** The Governing Body of Obligor has determined that a true and very real need exists for the acquisition of the Project described on Exhibit A of the Government Obligation Contract dated as of May 1, 2017, between Town of Coventry, Rhode Island (Obligor) and All American Investment Group, LLC (Obligee).
2. **Approval and Authorization.** The Governing Body of Obligor has determined that the Contract, substantially in the form presented to this meeting, is in the best interests of the Obligor for the acquisition of such Project, and the Governing Body hereby approves the entering into of the Contract and the Base Lease by the Obligor and hereby designates and authorizes the following person(s) to execute and deliver the Contract and the Base Lease on Obligor's behalf with such changes thereto as such person(s) deem(s) appropriate, and any related documents, including any Escrow Agreement, necessary to the consummation of the transaction contemplated by the Contract.

Authorized individual(s) 
(Typed or Printed Name and Title of individual(s) authorized to execute the Contract)

3. **Adoption of Resolution.** The signatures below from the designated individuals from the Governing Body of the Obligor evidence the adoption by the Governing Body of this Resolution.

Signature: 
(Signature of Secretary, Board Chairman or other member of the Governing Body)
Printed Name & Title: Glenford J. Shibley - Town Council President
(Printed Name and Title of individual who signed directly above)

Attested By: 
(Signature of one additional person who can witness the passage of this Resolution)
Printed Name & Title: Robert S. Thibault Jr.
(Printed Name of individual who signed directly above)

ATTEST:

Cheryl A. Jones

Town Clerk
May 25, 2017

TOWN OF COVENTRY

RESOLUTION

OF THE TOWN COUNCIL

NO. 34-17-4849

A RESOLUTION OF THE TOWN COUNCIL AUTHORIZING THE FUNDING OF A SEWER LINE ON THE SOUTHERN PORTION OF ARNOLD ROAD AND FUNDING FOR THE DEFICIT ON THE FLAT RIVER ROAD/INDUSTRIAL DRIVE SEWER PROJECT

WHEREAS, the Town of Coventry desires to install sewers in the Briar Point area of Coventry and fund the deficit on the Flat River Road/Industrial Drive sewer project; and

WHEREAS, the installation of sewers in Briar Point is identified as a priority in the Coventry Wastewater Facilities Plan; and

WHEREAS, a sewer line must be installed on Arnold Road south of the Arnold Road Causeway to accept the Briar Point area sewer flow; and

WHEREAS, the Arnold Road sewer line will remain "dry" until the Briar Point area is sewered; and

WHEREAS, the Rhode Island Infrastructure Bank won't commit funding to the "dry line" project; and

WHEREAS, the Town needs to seek out alternative funding sources to complete the project; and

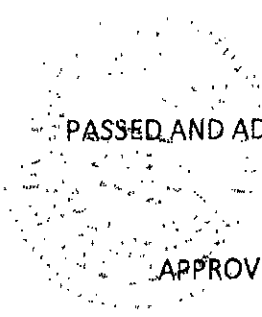
WHEREAS, the Town has received a favorable loan rate from the All-American Investment Group, LLC; and

WHEREAS, the Town has an established business relationship with the All-American Investment Group, LLC

BE IT RESOLVED, the Coventry Town Council hereby authorizes the Town Manager to enter into an agreement with the All-American Investment Group, LLC to fund the installation of a sewer line on the southern portion of Arnold Road and to fund the deficit on the Flat River Road/Industrial Drive sewer project.

PASSED AND ADOPTED this 10th day of April, 2017.

APPROVED:


Glenford Shibley

Council President, Glenford Shibley

ATTEST:

Cheryl A. Guro

Town Clerk

EXHIBIT E

OFFICER'S CERTIFICATE

RE: Government Obligation Contract dated as of May 1, 2017, between All American Investment Group, LLC (Obligee) and Town of Coventry, Rhode Island (Obligor)

I, the undersigned, hereby certify that I am a duly qualified representative of Obligor and that I have been given the authority by the governing body of Obligor to sign this Officer's Certificate with respect to the above-referenced Contract. I hereby certify that:

1. Obligor has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Contract Payments required to be paid under the Contract during the current Budget Year of Obligor, and such moneys will be applied in payment of all Contract Payments due and payable during such current Budget Year.
2. Obligor has obtained insurance coverage as required under the Contract from an insurer qualified to do business in the State.
3. No event or condition that constitutes or would constitute an Event of Default exists as of the date hereof.
4. The governing body of Obligor has approved the authorization, execution and delivery of this Contract on its behalf by the authorized representative of Obligor who signed the Contract.
5. Please list the Source of Funds (Fund Item in Budget) for the Contract Payments that come due under Exhibit B of this Contract.

Source of Funds: ~~General Fund~~ Sewer Fund GLW

By signing below, Obligor hereby authorizes the General Fund of the Obligor as a backup source of funds from which the Contract Payments can be made.

Town of Coventry, Rhode Island

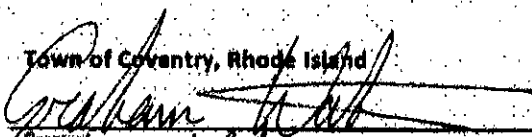
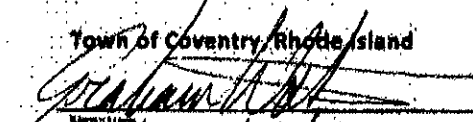

 Signature
 Graham Waters, Town Manager
 Printed Name and Title

EXHIBIT G
SIGNATURE CARD

RE: Government Obligation Contract dated as of May 1, 2017, between All American Investment Group, LLC (Obligee) and Town of Coventry, Rhode Island (Obligor)

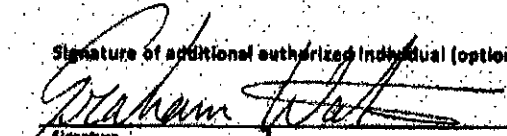
The below signatures will be used for purposes of verifying the signature on a Payment Request and Project Acceptance Form prior to making payments from the Project Acquisition Fund or Vendor Payable Account. By signing below, the undersigned represents and warrants that s/he has received all appropriate authority from Town of Coventry, Rhode Island.

Town of Coventry, Rhode Island



Signature
Graham Waters, Town Manager
Printed Name and Title

Signature of additional authorized individual (optional) of Obligor



Signature
Graham Waters, Town Manager
Printed Name and Title

EXHIBIT H
OBLIGOR ACKNOWLEDGEMENT

RE: Government Obligation Contract dated as of May 1, 2017, between All American Investment Group, LLC (Obligee) and Town of Coventry, Rhode Island (Obligor)

Obligor hereby acknowledges that it has ordered or caused to be ordered the equipment that is the subject of the above-mentioned Contract.

Please complete the below information, attach another page if necessary

Vendor Name: Miscellaneous
Equipment: Sewer Construction - Arnold Rd.
Cost of Equipment: \$750,000

Vendor Name: Miscellaneous
Equipment: Sewer Construction - Industrial Dr / Flat River Rd.
Cost of Equipment: \$450,000

Vendor Name: _____
Equipment: _____
Cost of Equipment: _____

Vendor Name: _____
Equipment: _____
Cost of Equipment: _____

Vendor Name: _____
Equipment: _____
Cost of Equipment: _____

Obligor will immediately notify Obligee if any of the information listed above is changed.

EXHIBIT I

BANK QUALIFIED CERTIFICATE

RE: Government Obligation Contract dated as of May 1, 2017, between All American Investment Group, LLC (Obligee) and Town of Coventry, Rhode Island (Obligor)

Whereas, Obligor hereby represents that it is a "Bank Qualified" issuer for the calendar year in which this Contract is executed by making the following designations with respect to Section 265 of the Internal Revenue Code. (A "Bank Qualified Issuer" is an issuer that issues less than ten million (\$10,000,000) dollars of tax-exempt obligations during the calendar year).

Now, therefore, Obligor hereby designates this Contract as follows:

1. **Designation as Qualified Tax-Exempt Obligation.** Pursuant to Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986 as amended (the "Code"), the Obligor hereby specifically designates the Contract as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code. In compliance with Section 265(b)(3)(D) of the Code, the Obligor hereby represents that the Obligor will not designate more than \$10,000,000 of obligations issued by the Obligor in the calendar year during which the Contract is executed and delivered as such "qualified tax-exempt obligations".
2. **Issuance Limitation.** In compliance with the requirements of Section 265(b)(3)(C) of the Code, the Obligor hereby represents that the Obligor (including all subordinate entities of the Obligor within the meaning of Section 265(b)(3)(E) of the Code) reasonably anticipates not to issue in the calendar year during which the Contract is executed and delivered, obligations bearing interest exempt from federal income taxation under Section 103 of the Code (other than "private activity bonds" as defined in Section 141 of the Code) in an amount greater than \$10,000,000.

Town of Coventry, Rhode Island


Signature

Graham Waters, Town Manager
Printed Name and Title

ENVIRONMENTAL ASSESSMENT REPORT

RE: Government Obligation Contract dated as of May 1, 2017, between All American Investment Group, LLC (Obligee) and Town of Coventry, Rhode Island (Obligor)

Description of Site:

Address: 1675 FLAT RIVER ROAD

COVENTRY, RI 02816

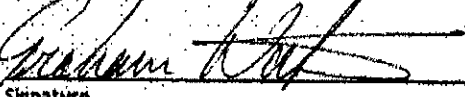
Question	Owner	Notes
1a. Is the property used for an industrial use?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unk.	
1b. Is any adjoining property used for an industrial use?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unk.	
2a. Did you observe evidence or do you have any prior knowledge that the property has been used for an industrial use in the past?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unk.	
2b. Did you observe evidence or do you have any prior knowledge that any adjoining property has been used for an industrial use in the past?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unk.	
3a. Is the property used as a gasoline station, motor repair facility, commercial printing facility, dry cleaners, photo developing laboratory, junkyard or landfill, or as a waste treatment, storage, disposal, processing, or recycling facility (if applicable, identify which)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unk.	
3b. Is any adjoining property used as a gasoline station, motor repair facility, commercial printing facility, dry cleaners, photo developing laboratory, junkyard or landfill, or as a waste treatment, storage, disposal, processing, or recycling facility (if applicable, identify which)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unk.	
4a. Did you observe evidence or do you have any prior knowledge that the property has been used as a gasoline station, motor repair facility, commercial printing facility, dry cleaners, photo developing laboratory, junkyard or landfill, or as a waste treatment, storage, disposal, processing, or recycling facility (if applicable, identify which)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unk.	
4b. Did you observe evidence or do you have any prior knowledge that the adjoining property has been used as a gasoline station, motor repair facility, commercial printing facility, dry cleaners, photo developing laboratory, junkyard or landfill, or as a waste treatment, storage, disposal, processing, or recycling facility (if applicable, identify which)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unk.	

Question	Owner	Notes
5a. Are there currently any damaged or discarded automotive or industrial batteries, pesticides, paints, or other chemicals in individual containers of >5 gal. (19 L) in volume or 50 gal. (190L) in the aggregate, stored on or used at the property or at the facility?	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	
5b. Did you observe evidence or do you have any prior knowledge that there have been previously any damaged or discarded automotive or industrial batteries, pesticides, paints or other chemicals in individual containers of >5 gal. (19 L) in volume or 50 gal. (190 L) in the aggregate, stored on or used at the property or at the facility?	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	
6a. Are there currently any industrial drums (typically 55 gal.) (208 L) or sacks of chemicals located on the property or at the facility?	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	
6b. Did you observe evidence or do you have any prior knowledge that there have been any industrial drums (typically 55 gal.) (208 L) or sacks of chemicals located on the property or at the facility?	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	
7a. Did you observe evidence or do you have any prior knowledge that fill dirt has been brought onto the property that originated from a contaminated site?	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	
7b. Did you observe evidence or do you have any prior knowledge that fill dirt has been brought onto the property that is of an unknown origin?	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	
8a. Are there currently any pits, ponds, or lagoons located on the property in connection with waste treatment or waste disposal?	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	
8b. Did you observe evidence or do you have any prior knowledge that there have been previously, any pits, ponds, or lagoons located on the property in connection with waste treatment or waste disposal?	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	
9a. Is there currently any stained soil on the property?	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	
9b. Did you observe evidence or do you have any prior knowledge that there has been previously, any stained soil on the property?	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> Yes No Unk	
10a. Are there currently any registered or unregistered storage tanks (above or under-ground) located on the property?	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> Yes No Unk	
10b. Did you observe evidence or do you have any prior knowledge that there have been previously, any registered or unregistered storage tanks (above or under-ground) located on the property?	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No Unk	old septic system - filled in with concrete
11a. Are there currently any vent pipes, fill pipes, or access ways indicating a fill pipe protruding from the ground on the property or adjacent to any structures located on the property?	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	

Question	Owner	Notes
11b. Did you observe evidence or do you have any prior knowledge that there have been previously, any vent pipes, fill pipes, or access ways indicating a fill pipe protruding from the ground on the property or adjacent to any structure located on the property?	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	
12a. Are there currently any flooring, drains, or walls located within the facility that are stained by substances other than water or are emitting foul odors?	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	
12b. Did you observe evidence or do you have any prior knowledge that there have been previously, any flooring, drains, or walls located within the facility that are stained by substances other than water or are emitting foul odors?	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	
13a. If the property is served by a private well or non-public water system, is there evidence or do you have prior knowledge that contaminants have been identified in the well or system that exceed guidelines applicable to the water system?	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	
13b. If the property is served by a private well or non-public water system, is there evidence or do you have prior knowledge that the well has been designated as contaminated by any government environmental/health agency?	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	
14. Does the owner or occupant of the property have any knowledge of environmental liens or governmental notification relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property?	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	
15a. Has the owner or occupant of the property been informed of the past existence of hazardous substances or petroleum products with respect to the property or any facility located on the property?	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	
15b. Has the owner or occupant of the property been informed of the current existence of hazardous substances or petroleum products with respect to the property or any facility located on the property.	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	
15c. Has the owner or occupant of the property been informed of the past existence of environmental violations with respect to the property or any facility located on the property?	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	
15d. Has the owner or occupant of the property been informed of the current existence of environmental violations with respect to the property or any facility located on the property.	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	
16. Does the owner or occupant of the property have any knowledge of any environmental site assessment of the property or facility that indicated the presence of hazardous substances or petroleum products on, or contamination of, the property or recommended further assessment of the property?	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	
17. Does the owner or occupant of the property know of any past, threatened, or pending lawsuits or administrative proceedings concerning a release or threatened, or pending lawsuits or administrative proceedings concerning a release or threatened release of any hazardous substance or petroleum products involving the property by any owner or occupant of the property?	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes No Unk	

Question	Owner	Notes
18. Did you observe evidence or do you have any prior knowledge that any hazardous substances or petroleum products, unidentified waste materials, tires, automotive or industrial batteries, or any other waste materials have been dumped above grade, buried and/or burned on the property?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unk	
19. Is there a transformer, capacitor, or any hydraulic equipment for which there are any records indicating the presence of PCB's?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unk	

Town of Coventry, Rhode Island



Signature

Graham White, Town Manager

Typed Name and Title

Federal and State Records Search

<p>1. Do any of the following Federal government record systems list the property or any property within the circumference of the area noted below:</p> <ul style="list-style-type: none"> National Priorities List - within 1.0 mile (1.6Km)? CERCLIS List - within 0.5 mile (0.8Km)? RCRA CORRACTS facilities - within 0.5 mile (0.8KM)? RCRA non-CORRACTS TSD Facilities - within 0.5 mile (0.8Km)? 	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unk	
<p>2. Do any of the following state record systems list the property or any property within the circumference of the area noted below:</p> <ul style="list-style-type: none"> List maintained by state environmental agency of hazardous waste sites identified for investigation or remediation that is the state agency equivalent to NPL - within approximately 1.0 mile (1.6 KM)? List maintained by state environmental agency of sites identified for investigation or remediation that is the state equivalent to CERCLIS - within 0.5 mile (0.8Km)? Leaking Underground Storage Tank (LUST) List - within 0.5 mile (0.8Km)? Solid Waste/Landfill Facilities - within 0.5 mile (0.8Km)? 	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unk	
<p>3. Based upon a review of the fire insurance maps or consultation with the local fire department serving the property, all as specified in the guide, are any buildings or other improvements on the property or on an adjoining property identified as having been used for an industrial use or uses likely to lead to contamination of the property?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unk	

NOTICE OF ASSIGNMENT

MAY 1, 2017

All American Investment Group, LLC (Obligee/Assignor) hereby gives notice of an Assignment between Obligee/Assignor and KS StateBank (Assignee) of the Government Obligation Contract (Contract) between Obligee/Assignor and Town of Coventry, Rhode Island, dated as of May 1, 2017.

All Contract Payments coming due pursuant to the Contract shall be made to:

KS StateBank
1010 Westloop, P.O. Box 69
Manhattan, Kansas 66505-0069

All American Investment Group, LLC, Obligee/Assignor



Signature

Charles A. Hoag, C.V.P.

Printed Name and Title

ACKNOWLEDGEMENT OF AND CONSENT TO ASSIGNMENT

Town of Coventry, Rhode Island (Obligor) as party to a Government Obligation Contract dated as of May 1, 2017 between Obligor and All American Investment Group, LLC (Obligee), hereby acknowledges receipt of a Notice of Assignment dated May 1, 2017 whereby Obligee gave notice of its assignment to KS StateBank of its right to receive all Contract Payments due from Obligor under the Contract and hereby consents to that Assignment. Pursuant to the Notice of Assignment from Obligee, Obligor agrees to deliver all Contract Payments coming due under the Contract to:

KS StateBank
1010 Westloop, P.O. Box 69
Manhattan, Kansas 66505-0069

Town of Coventry, Rhode Island



Signature

Graham Waters, Town Manager

Printed Name and Title

Information Return for Tax-Exempt Governmental Obligations

OMB No. 1545-0720

Department of the Treasury
Internal Revenue Service

Under Internal Revenue Code section 149(e)

See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name Town of Coventry, Rhode Island		2 Issuer's employer identification number (EIN) 05-6000108	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) 1670 Flat River Road		Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Coventry, Rhode Island 02816		7 Date of issue 05/15/2017	
8 Name of issue Government Obligation Contract		9 CUSIP number None	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Mr. Robert Thibeault, Finance Director		10b Telephone number of officer or other employee shown on 10a (401) 822-9130	

Part II Type of issue (enter the issue price). See the instructions and attach schedule.		
11 Education	11	
12 Health and hospital	12	
13 Transportation	13	
14 Public safety	14	
15 Environment (including sewage bonds)	15	
16 Housing	16	
17 Utilities	17	
18 Other. Describe Town Hall Annex Building	18	770,099 51
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>		
If obligations are BANs, check only box 19b <input type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.				
(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21 05/15/2027	\$ 770,099.51	\$ 750,000.00	5.806 years	3.755 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)				
22 Proceeds used for accrued interest	22			
23 Issue price of entire issue (enter amount from line 21, column (b))	23	770,099	51	
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	20,099	51	
25 Proceeds used for credit enhancement	25			
26 Proceeds allocated to reasonably required reserve or replacement fund	26			
27 Proceeds used to currently refund prior issues	27			
28 Proceeds used to advance refund prior issues	28			
29 Total (add lines 24 through 28)	29	20,099	51	
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	750,000	00	

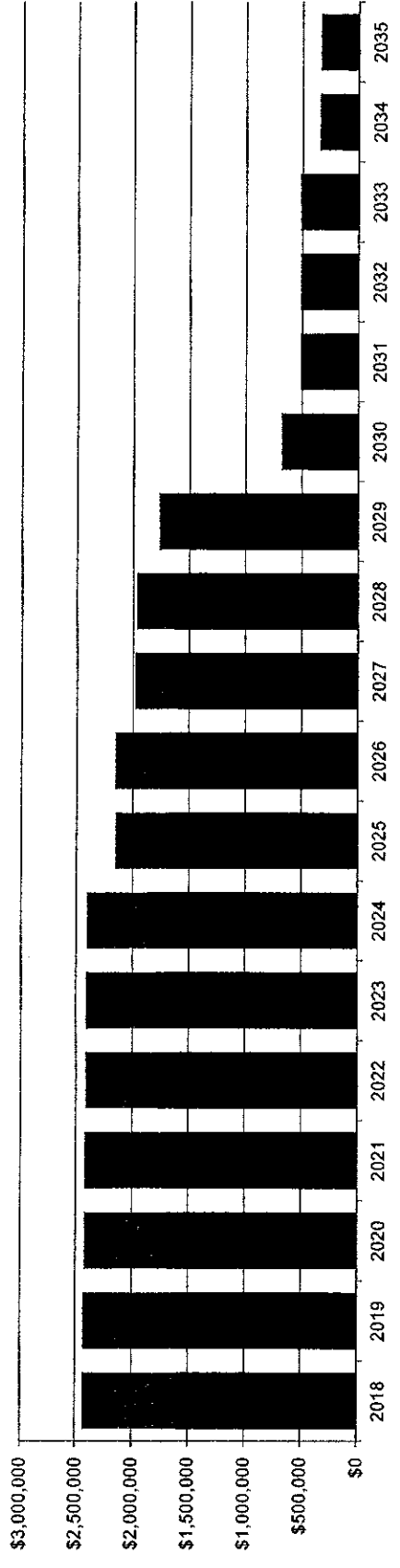
Part V Description of Refunded Bonds. Complete this part only for refunding bonds.	
31 Enter the remaining weighted average maturity of the bonds to be currently refunded	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	_____ years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	_____
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	_____

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	
b	Enter the final maturity date of the GIC ▶ _____		
c	Enter the name of the GIC provider ▶ _____		
37	37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
b	Enter the date of the master pool obligation ▶ _____		
c	Enter the EIN of the issuer of the master pool obligation ▶ _____		
d	Enter the name of the issuer of the master pool obligation ▶ _____		
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(iii) (small issuer exception), check box		<input checked="" type="checkbox"/>
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box		<input type="checkbox"/>
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
b	Name of hedge provider ▶ _____		
c	Type of hedge ▶ _____		
d	Term of hedge ▶ _____		
42	If the issuer has superintegrated the hedge, check box		<input type="checkbox"/>
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box		<input type="checkbox"/>
44	If the issuer has established written procedures to monitor the requirements of section 148, check box		<input type="checkbox"/>
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement. ▶ _____		
b	Enter the date the official intent was adopted ▶ _____		

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.				
	▶ <u>Robert J. Thibeault Jr.</u> 5.30.17 ▶ <u>Robert J. Thibeault Jr. Finance Director</u> Signature of issuer's authorized representative Date Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	H. Evan Howe	<u>H. Evan Howe</u>	05/16/2017		P01438994
	Firm's Name ▶ Baystone Financial LLC	Firm's EIN ▶ 48-1223887			
Firm's Address ▶ 12980 Metcalf, Suite 310, Overland Park, KS 66213	Phone no. (800) 752-3582				

Town of Coventry, Rhode Island
 Sewer Debt Statistics
 As of June 30, 2017



■ Principal	■ Interest	■ RIIB Fee	■ 2015 W. Warwick Loans
Average Annual Debt Service			
Maximum Annual Debt Service			
Average Life			\$1,620,064
<u>Ratings</u>			\$2,442,878
Moody's			7.09 Years
Standard & Poor's			-
Fitch			-





NET DEBT SERVICE

Coventry, RI
Outstanding Sewer Debt
As of June 30, 2017

Period Ending	Principal	Interest	Total Debt Service	RIIB Fee	W. Warwick Loans*	Debt Service Reserve Fund	Net Debt Service
6/30/2018	1,612,946.31	561,296.72	2,174,243.03	80,802.74	187,832.01		2,442,877.78
6/30/2019	1,649,961.02	524,460.96	2,174,421.98	74,401.73	187,693.09		2,436,516.80
6/30/2020	1,688,691.64	486,312.20	2,175,003.84	67,886.36	187,457.11		2,430,347.31
6/30/2021	1,731,591.89	444,825.39	2,176,417.28	61,254.40	187,160.64		2,424,832.32
6/30/2022	1,773,208.05	401,989.41	2,175,197.46	54,492.39	187,255.73		2,416,945.58
6/30/2023	1,822,086.00	357,199.92	2,179,285.92	47,591.65	187,081.32		2,413,958.89
6/30/2024	1,869,963.95	310,723.90	2,180,687.85	40,530.28	186,874.99		2,408,093.12
6/30/2025	1,668,285.45	263,234.08	1,931,519.53	33,940.92	186,875.17		2,152,335.62
6/30/2026	1,725,061.04	215,847.68	1,940,908.72	27,820.06	186,573.81		2,155,302.59
6/30/2027	1,603,464.43	167,768.98	1,771,233.41	21,961.24	186,566.72		1,979,761.37
6/30/2028	1,643,285.22	119,470.57	1,762,755.79	16,400.61	186,282.79		1,965,439.19
6/30/2029	1,502,038.91	70,599.83	1,572,638.74	11,199.80	186,179.03	750,763.47	1,019,254.10
6/30/2030	449,939.09	40,073.50	490,012.59	7,219.85	186,039.36		683,271.80
6/30/2031	296,000.00	29,946.10	325,946.10	5,355.00	185,853.79		517,154.89
6/30/2032	305,000.00	21,638.05	326,638.05	3,852.50	185,840.71		516,331.26
6/30/2033	315,000.00	12,776.75	327,776.75	2,302.50	185,777.51		515,856.76
6/30/2034	151,000.00	6,210.75	157,210.75	1,137.50	185,592.61		343,940.86
6/30/2035	152,000.00	2,074.80	154,074.80	380.00	184,474.17		338,928.97
	21,959,523.00	4,036,449.59	25,995,972.59	558,529.53	3,357,410.56	750,763.47	29,161,149.21

*Includes RIIB Fees.

Town of Coventry
History of Sewer Subcommittee Members⁽¹⁾
As of 9/25/17

Last, First Name	Date Appointed and Expiration	Date Appointed and Expiration	Date Appointed and Expiration	Date Appointed and Expiration	Number of Terms
Duckworth, Scott	9/25/06 - 1/1/08				1
Skurka, Glen (replaced Duckworth)	9/28/09 - 1/1/11	2/28/11 - 1/1/14	8/18/14 - 1/1/17	1/23/17 - 1/1/20	3+ to current
Narkiewicz, Gerald	6/26/06 - 1/1/08				1
Mullany, John (replaced Narkiewicz)	9/28/09 - 1/1/11				1
Colaluca, John (replaced Mullany)	9/28/09 - 1/1/12	2/28/11 - 1/1/14	8/18/14 - 1/1/17	1/23/17 - 1/1/20	3+ to current
Shibley, Glenford (Town Council Appointment)	1/26/09 -				1
Jendzyec, Ted (replaced Shibley) (Town Council Appointment)		11/29/10 -			1
Mattson, Carl Jr. (replaced Jendzyec) (Town Council Appointment)		5/16/11 -			1
Laboissonniere, Gregory (replaced Mattson) (Town Council Appointment)		1/14/13 -			1
Hyde, Frank (Town Council Appointment)	2/9/04 -				current
Thuibeault, Robert (Town Council Appointment)	2006				
McGee, Kerry (replaced Hyde) (Town Council Appointment)		11/29/10 -			current
Avedisian, George	6/26/06 - 1/1/08	9/28/09 - 1/1/11	2/28/11 - 1/1/14		3
Hall, William	6/26/06 - 1/1/09	9/28/09 - 1/1/12	2/13/12 - 1/1/15		3
DiPadua, Robert	1/22/07 - 1/1/10				1
Simpanen, Judy (replaced DiPadua)		2/8/10 - 1/1/13	2/25/13 - 1/1/16		2
Horan, Charles (replaced Simpanen)		4/25/16 - 1/1/19			resigned
Piette, Len	9/28/09 - 1/1/13	2/28/11 - 1/1/14	2/25/13 - 1/1/14	8/18/14 - 1/1/17	3 to current
Raposo, Tony		4/28/14 - 1/1/15		1/23/17 - 1/1/20	1+ to current
Finegan, Douglas			8/18/14 - 7/1/17		resigned
Spada, Joseph		2/28/11 - 1/1/12	2/13/12 - 1/1/13	2/25/13 - 1/1/16	3 to current
			3/14/16 - 1/1/19		

⁽¹⁾ This is a working copy of the List. A final copy will be provided once list has been completed.

Town of Coventry

List of Contractors Awarded Sewer Construction Projects⁽¹⁾

As of 9/25/17

Contract 4 – Fairview Ave Sewer Project:

CB Utility Construction

99 Tupelo Street

Bristol, RI 02809

Contract 5 – Main St/Sandy Bottom Rd/Tiogou Ave Sewer Project

D'Ambra Construction

800 Jefferson Blvd

Warwick, RI 02886

737-1300/fax 732-4725

Contract 6 – Lakeside Drive Project (3/2010)

D'Ambra Construction

800 Jefferson Blvd

Warwick, RI 02886

737-1300 / fax 732-4725

Contract 6A – Tiogou Ave Sewer Extension Project (11/2011)

R.T. Nunes & Sons, Inc.

1 Nunes Lane

West Warwick, RI 02893

Contract 7 & 7A – Flat River Rd./Industrial Dr. Sewer (2014-2015)

Contract 7 – Sewer (2014)

Construction: CB Utility

Engineer: Geremia

Paving: Cardi Corporation

Contract 8A Arnold Rd North Sewer (2016-2017)

D'Ambra Construction Company, Inc.

800 Jefferson Blvd

Warwick, RI 02886

Contract 8B Arnold Rd South Sewer (2016-2017)

D'ercole Construction Inc.

2800 Plainfield Pike

Cranston, RI 02921

Contract 8C Quidneck Village Hazard St. Sewer Project (2017)

John Rocchio Corporation

(1) This is a working draft and will be finalized at a future date. The final document will also include the contract engineer for each project.