

**TOWN OF HAMPSTEAD
RESOLUTION 2024-04**

A RESOLUTION DECLARING THE OFFICIAL INTENT OF TOWN OF HAMPSTEAD TO USE PROCEEDS OF A BORROWING TO REIMBURSE COSTS OF THE TOWN'S WATER SYSTEM CENTRALIZATION AND MODERNIZATION PROJECT PAID PRIOR TO CLOSING ON THE BORROWING

RECITALS

WHEREAS, Town of Hampstead, a municipal corporation of the State of Maryland (the "Town"), is undertaking a project generally referred to by the Town as the Water System Centralization and Modernization Project, which involves the design, construction and equipping of new water treatment facilities and the modification and equipping of an existing water treatment facility in order to treat emerging contaminants, including perfluoroalkyl and polyfluoroalkyl substances (PFAS), together with related activities (collectively, the "Project"); and

WHEREAS, the Town anticipates borrowing money for costs of the Project, such borrowing to be evidenced by one or more series of general obligation bonds or other evidences of indebtedness to be issued by the Town (collectively, or individually by series, the "Bonds"); and

WHEREAS, the Town reasonably expects to spend Town funds on costs of the Project prior to issuance of the Bonds or any interim financing issued or incurred by the Town in anticipation of the Bonds, and (i) to reimburse the Town from proceeds of the Bonds for all or a portion of such previously paid costs of the Project, and/or (ii) to use proceeds of the Bonds to refinance all or a portion of any interim borrowing issued or incurred by the Town that is applied to reimburse the Town for previously paid costs of the Project; and

WHEREAS, Section 1.150-2 of the U.S. Treasury Regulations (the "Reimbursement Regulations") provides that local governments funding "original expenditures" intended to be reimbursed from the proceeds of tax-exempt "obligations" must make a declaration of "official intent" in order to qualify such original expenditures for reimbursement from a "reimbursement bond," all within the meaning of the Reimbursement Regulations; and

WHEREAS, the Town is an "issuer" for purposes of the Reimbursement Regulations and wishes to adopt this Resolution for the purpose of evidencing the clear and official intent of the Town to reimburse from reimbursement bond proceeds (meaning the Bonds or any interim financing issued or incurred by the Town in anticipation of the Bonds) original expenditures paid for costs of the Project.

[CONTINUED ON FOLLOWING PAGE]

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF HAMPSTEAD:

SECTION 1.

(a) The Recitals to this Resolution are deemed a substantive part of this Resolution and are incorporated by reference herein, and capitalized terms defined in the Recitals to this Resolution and not otherwise defined herein will have the meanings given to such terms in the Recitals hereto.

(b) References in this Resolution to the Project shall be deemed to include any changes in the scope of activities of the Project made by the Town in accordance with applicable budgetary procedures or other applicable law, including (without limitation) in future fiscal years. References in this Resolution to costs of the Project shall be deemed to be to expenditures that constitute capital expenditures and, to the extent applicable, costs of issuance of any borrowing relating to the Project and/or capitalized interest.

SECTION 2. In accordance with the Reimbursement Regulations, the Town hereby makes this declaration of its reasonable expectation to (i) expend money on costs of the Project prior to the issuance of the Bonds (or any interim financing issued or incurred in anticipation of the Bonds) and (ii) use proceeds of the Bonds (or of such interim financing), which Bonds and/or interim financing will qualify as a “reimbursement bond” for purposes of the Reimbursement Regulations, to reimburse all or a portion of such original expenditures. This Resolution is intended to be a declaration of official intent within the meaning of the Reimbursement Regulations.

SECTION 3. The maximum aggregate principal amount of the Bonds expected to be issued for the Project (and the maximum aggregate principal amount of any interim financing to be issued or incurred by the Town in anticipation of the Bonds) is Three Million Dollars (\$3,000,000); such specified maximum aggregate principal amount applies, to the extent applicable, both to any Bonds issued for the Project and to any interim financing issued or incurred by the Town for the Project.

SECTION 4. The provisions of this Resolution shall be liberally construed in order to effectuate the transactions contemplated by this Resolution.

SECTION 5. This Resolution may be executed in counterparts, each of which will constitute an original but all of which together shall constitute one and the same resolution.

SECTION 6. This Resolution shall become effective immediately upon its adoption by the Council.

[CONTINUED ON FOLLOWING PAGE]

Adopted this ____ day of _____, 2024 by a vote of ____ Council members in favor, ____ Council members opposed, and ____ abstentions.

MAYOR

CLERK OF THE COUNCIL

Approved as to form and legal sufficiency:

By: _____
Michelle M. Ostrander, Esquire
Town Attorney

NOTE: Matter in [brackets] is deleted from the Resolution as introduced.
Matter underlined is new material added to the Resolution following introduction.

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