

RESOLUTION NO. 22-4

A RESOLUTION OF THE COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND, MAKING A DECLARATION OF OFFICIAL INTENT PURSUANT TO U.S. TREASURY REGULATION SECTION 1.150-2 OF COUNTY COMMISSIONERS OF WORCESTER COUNTY, MARYLAND'S REASONABLE EXPECTATION TO USE PROCEEDS OF ITS GENERAL OBLIGATION BONDS AND/OR INTERIM FINANCING, EACH ISSUED IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$40,782,684, TO REIMBURSE ALL OR A PORTION OF PROJECT EXPENSES PREVIOUSLY PAID IN CONNECTION WITH THE PROJECTS IDENTIFIED HEREIN AS BEING FOR THE WORCESTER COUNTY JAIL, THE PUBLIC SAFETY LOGISTICAL STORAGE FACILITY, THE WORCESTER COUNTY SPORTS COMPLEX, THE ADDITION TO STEPHEN DECATUR MIDDLE SCHOOL, ROOF REPLACEMENTS AT SNOW HILL MIDDLE SCHOOL AND CEDAR CHAPEL SPECIAL SCHOOL, AND THE OCEAN PINES BELT FILTER PRESS.

Recitals.

A. County Commissioners of Worcester County, Maryland (the "County") proposes to make certain capital expenditures in connection with the following capital projects: (i) engineering, designing, constructing and equipping of Phase 2 improvements to the Worcester County Jail; (ii) engineering, designing, constructing, equipping, furnishing and undertaking site work for the new Public Safety Logistical Storage Facility; (iii) engineering, designing, constructing, equipping, furnishing and undertaking site work for the Worcester County Sports Complex; (iv) engineering, designing, constructing, equipping, furnishing and undertaking site work for an addition to Stephen Decatur Middle School; (v) replacing the roofs at Snow Hill Middle School and Cedar Chapel Special School; and (vi) replacing the belt filter press in the Ocean Pines Service Area (the activities described in clauses (i) – (vi) are collectively referred to as the "Capital Projects").

B. The County intends to issue general obligation bonds in one or more series from time to time (collectively, the "Bonds") to finance the costs of the Capital Projects as described in Recital A. above, together with related costs and issuance costs of the Bonds, all constituting capital expenditures (collectively referred to as the "Project Costs").

C. The County reasonably expects that all or a portion of the Project Costs will be paid prior to issuance of the Bonds, and that proceeds of the Bonds will be used to reimburse all or a portion of such Project Costs paid prior to the issuance of the Bonds. In the event the County incurs interim financing to pay all or a portion of the Project Costs in anticipation of the issuance of the Bonds, the County reasonably expects to (i) use such interim financing to reimburse all or a portion of any Project Costs paid prior to the incurrence of such interim financing, and (ii) use proceeds of the Bonds to refinance all or a portion of any interim financing incurred by the County that is applied in whole or in part to reimburse previously paid Project Costs and/or to use proceeds of the Bonds to reimburse all or a portion of the Project Costs paid prior to issuance of the Bonds. If the County incurs interim financing with respect to the Project Costs, the definition of Project Costs shall be construed to include issuance costs of such interim financing.

D. 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 "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.

E. The County is an "issuer" for purposes of the Reimbursement Regulations and the County Commissioners desire to adopt this Resolution for the purpose of evidencing the clear and official intent of

the County to reimburse from reimbursement bond proceeds (meaning the Bonds or any interim financing incurred by the County in anticipation of the Bonds) original expenditures made in connection with the Project Costs.

Section 1. NOW, THEREFORE, BE IT RESOLVED by the County Commissioners of Worcester County, Maryland that in accordance with the Reimbursement Regulations, the County hereby makes this declaration of its reasonable expectation that all or a portion of the Project Costs shall be paid from non-borrowed sources prior to the issuance of the Bonds (or any interim financing incurred in anticipation of the Bonds) and that the County will 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 for Project Costs. This Resolution is intended to be a declaration of official intent within the meaning of the Reimbursement Regulations.

Section 2. AND BE IT FURTHER RESOLVED that the maximum aggregate principal amount of the Bonds to be issued for Project Costs (and the maximum principal amount of any interim financing incurred by the County in anticipation of the Bonds) will not exceed \$40,782,684 each.

Section 3. AND BE IT FURTHER RESOLVED that the provisions of this Resolution will be liberally construed in order to effectuate the purposes of this Resolution.

Section 3. AND BE IT FURTHER RESOLVED that this Resolution shall become effective immediate upon its adoption.

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ADOPTED this 5th day of APRIL, 2022.

Attest:

County Commissioners of Worcester County,
Maryland



Weston S. Young
Chief Administrative Officer



Joseph M. Mitrecic, President

Theodore J. Elder, Vice President

Anthony W. Bertino, Jr., Commissioner

Madison J. Bunting, Jr., Commissioner



James C. Church, Commissioner



Joshua C. Nordstrom, Commissioner



Diana Purnell, Commissioner

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