



Note 1 of 1

\$300,000.00

Town of Hinesburg  
LINE OF CREDIT  
CURRENT EXPENSE NOTE  
1160116482

Town of Hinesburg, Vermont

March 11, 2016

On May 11, 2016 for value received, the Town of Hinesburg promises to pay to MERCHANTS BANK, or order, the principal sum of:

THREE HUNDRED THOUSAND AND 00/100 DOLLARS  
(\$300,000.00)

or so much thereof as may be advanced hereunder, with interest at the rate of 1.50% per annum, calculated on an actual 365 day year from the date of each such advance, with principal and interest payable in lawful money of the United States at the office of MERCHANTS BANK, in the City of South Burlington, Vermont. Principal and interest may be prepaid in whole or in part prior to the above maturity date.

This Current Expense Note (the "Note") evidences a straight line of credit. Once the total amount of principal has been advanced, the Issuer is not entitled to further loan advances. Advances under this Note may be requested either orally or in writing by the Issuer or as provided in this paragraph. Lender may, but need not, require that all oral requests be confirmed in writing. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from the Issuer, at Lender's address shown above, written notice of revocation of such authority:

\_\_\_\_\_. The Issuer agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Issuer's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs. Lender will have no obligation to advance funds under this Note if: (A) Issuer is in default under the terms of this Note or any agreement that the Issuer has with Lender, including any agreement made in connection with the signing of this Note; (B) Issuer ceases doing business or is insolvent; (C) Issuer has applied funds provided pursuant to this Note for purposes other than those authorized by Lender.

This Note is issued to defray the cost of current expenses accrued or incurred in the delivery of governmental services and functions, pursuant to a resolution adopted by the legislative body of the Issuer at a meeting thereof duly noticed, called and held Select Board.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form as required by law and that the full faith and credit of the Issuer are hereby irrevocably pledged for the payment of this Note.

Dated March 11, 2016

Town of Hinesburg

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Treasurer

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Select Board Or a Majority Thereof

Town of Hinesburg  
RESOLUTION  
CURRENT EXPENSE BORROWING

WHEREAS, the Select Board is authorized and empowered to borrow money on the credit of the Town of Hinesburg to defray the cost of paying current expenses incurred and accrued for the delivery of governmental services and functions incurred and accrued for the delivery of governmental services and functions; and

WHEREAS, it is hereby found and determined that in order to carry out the responsibilities placed upon the Select Board by law, it is necessary and expedient for the Town of Hinesburg to meet current expenses; and

WHEREAS, the Town of Hinesburg has been and is now providing essential governmental services and funds are needed to meet expenses relating to the delivery thereof; and

WHEREAS, current funds are not available to pay in full incurred and accrued current expenses and it is necessary for the Select Board to borrow money on the credit of the Town of Hinesburg for such purpose; and

WHEREAS, in order to have funds available to meet current expenses as aforesaid, the Select Board has arranged to borrow \$300,000.00 from MERCHANTS BANK, with such borrowing evidenced by a single Current Expense Note (the "Note").

THEREFORE, BE IT RESOLVED, that the Select Board and the Treasurer proceed forthwith to complete said transaction and issue said evidence of indebtedness to cover the same; and

BE IT FURTHER RESOLVED, that said evidence of debt when issued and delivered pursuant to this Resolution shall be a valid and binding general obligation of the Town of Hinesburg, payable according to the terms and tenor thereof from unlimited ad valorem taxes duly assessed on the grand list of taxable property in said Town of Hinesburg, as established by law; and

BE IT FURTHER RESOLVED, that all acts and things heretofore done by the lawfully constituted officers of the Town of Hinesburg and its Select Board in, about, or concerning the expenditure of proceeds of the Note evidencing the borrowing and the issuance thereof are hereby ratified and confirmed; and

We, the undersigned Select Board and Treasurer, hereby certify that we as such officers have signed the Note, numbered 1, dated March 11, 2016 and due May 11, 2016, with an interest rate of 1.50 %, payable as therein set forth and further certify that the Note is issued under and pursuant to this Resolution adopted at a duly noticed and warned meeting of the Select Board of the Town of Hinesburg held on Select Board.

We the said Select Board and Treasurer of the Town of Hinesburg, hereby certify that we are the duly chosen, qualified and acting officers as undersigned, that the Note is issued pursuant to authority, that no proceeding relating thereto has been taken other than as shown in the foregoing recital, that no such authority or action has been amended or repealed, and that there is no litigation threatened or pending in any state or federal court of competent jurisdiction seeking to enjoin either the issuance of the Note or the expenditures being financed by the proceeds of the same.

We also certify that there has been full and timely compliance with all public procurement, solicitation and bidding laws, ordinances and regulations with respect to each of the transactions embodied in this Resolution

We certify also that no litigation is pending or threatened affecting the validity of the Note or the apportionment and assessment of taxes if necessary, to pay the same when due, that neither the corporate existence nor the boundaries of the Select Board, nor the title of any of us to our respective offices is being questioned or contested.

Further, we hereby certify to and covenant with MERCHANTS BANK, its successors and assigns, including specifically the transferees, assigns, holders and owners of the [above-described note] *Note* that:

1. The aggregate principal amount of the Note does not exceed the maximum cumulative cash flow deficit of the Town of Hinesburg for the term of the Note from date of issue to and including date of maturity, as computed under Sections 148 (f)(4)(iii) of the Internal Revenue Code of 1986, and the Regulations promulgated thereunder.

2. No proceeds of the Note (including investment proceeds thereof) will be used (directly or indirectly) in any trade or business carried on by any person other than the Town of Hinesburg nor used to make or finance loans to any person.

3. During the current calendar year, the Town of Hinesburg will not issue debt of any sort aggregating \$10,000,000.00 or more.

4. The Town of Hinesburg will file when and as required with the Treasury Department or Internal Revenue Service information returns relating to the issuance of the Note and all other obligations of the Town of Hinesburg.

5. The Town of Hinesburg will comply with, perform, maintain and keep each and every covenant, representation, certification and undertaking in the accompanying Tax Certificate, execution and delivery of which is hereby authorized.

Town of Hinesburg

Treasurer

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ATTEST:

\_\_\_\_\_

\_\_\_\_\_

Clerk

\_\_\_\_\_ Select Board Or a Majority Thereof

Town of Hinesburg  
TAX CERTIFICATE  
CURRENT EXPENSE BORROWING

We the Treasurer and at least a majority of the Select Board of the Town of Hinesburg, Vermont (the "Issuer"), hereby certify and represent as follows with respect to the aggregate \$300,000.00 Current Expense Note of the Issuer (the "Note"), which Note is dated March 11, 2016 and is payable as therein set forth:

1. The Issuer is issuing and delivering the Note simultaneously with the delivery of this Certificate.
2. We are the officers of the Issuer charged by law with the responsibility for issuing the Note.
3. The Note is being issued for the purpose of paying certain current expenses required by law to be made, which expenditures shall be made in a timely fashion.
4. The entire amount borrowed by the issuance of the Note, together with all of such, if any, amounts previously raised or borrowed for the same purpose, does not exceed the total costs of such current expenses less all other funds available for the purpose, and all of the proceeds of the Note have been or are expected to be needed and expended for such current expenses within six (6) months from the date of the first borrowing for these expenses.
5. The Note is not being issued to a refund note previously issued for the same purpose described in paragraph (3).
6. Any real and personal property, acquisition of which has been financed by the Note has not been and is not expected during the life of the Note to be sold or otherwise disposed of for consideration.
7. It is expected that any earnings or net profit derived from investment or deposit of the proceeds of the Note, including transferred proceeds, any accrued interest received upon sale of the Note and any premium received on the delivery thereof, will be expended for current expense payment purposes within the period stated in paragraph (4) above to the extent such funds are not commingled for accounting purposes in the general funds of the Issuer with tax and other substantial operating revenues.
8. The Issuer has not created and does not expect to create or establish any debt service fund, bond payment reserve, sinking fund, or other similar fund pledged to the payment of the Note or from which it is expected that payment of the Note would be made.
9. To the best of our knowledge, information and belief, the above expectations are reasonable.
10. The Issuer has not been notified of any action by the Commissioner of Internal Revenue to disqualify it as an issuer whose arbitrage certificates may be relied upon.
11. No part of the proceeds derived from the issuance and sale of the Note nor the expenditures financed by the proceeds of the Note shall be:

- a. Used, loaned or otherwise made available to any person or other entity, other than the Issuer or a governmental body, so as to cause the Note to be classified as a private activity bond or an arbitrage bond, as those terms are defined under the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder by the U. S. Treasury (collectively, the “Code”).
- b. Used directly or indirectly in a trade or business by any person other than the Issuer or another municipal entity;
- c. Loaned to any person directly or indirectly other than the Issuer;
- d. The subject of any contract, lease or agreement of any sort having a term of one year or more and calling for the payment by the Issuer of consideration other than a flat fee;
- e. Expended to finance the construction, alteration or renovation of any improvement the use, occupancy, availability or beneficial enjoyment of which shall be restricted among public users thereof or for which preferential, different or unique fees, rates, assessments or charges shall be levied;
- f. Invested in such a manner or for such a period or at a yield to result in the rebate of interest earnings thereon to the United States under any public law now or hereafter in effect;

12. The Issuer shall furnish to the United States, or any agency, department or instrumentality thereof, in a timely fashion, such information as may be required by law with respect to all evidences or debt now or hereafter issued by the Issuer.

13. Neither the proceeds of the Note, nor any earnings derived from the investment thereof, shall be expended for the purpose of paying any costs associated with the issuance of the Note.

14. The Note will not be refunded or otherwise paid, defeased or secured by the proceeds of any form of debt issued by the Issuer, if the manner of such payment, refunding or security, results in the Note being classified as a “private activity bond” or an “arbitrage bond” within the meaning of Sections 103, 141 and 148 of the Code.

15. The proceeds of the Note shall not be invested for a period or at a yield so as to render the interest payable on the Note includable in the gross income of the holder thereof.

16. The proceeds of the Note will not be used in a manner that will cause the Note to be “arbitrage bonds” or “private activity bonds” within the meaning of Sections 103(c), 141 and 148 of the Code.

17. The aggregate principal amount of the Note is not greater than the maximum anticipated cumulative cash flow deficit which has been computed in accordance with the Regulations promulgated under Section 148 of the Code.

18. The Note is declared to be a “qualified” obligation under Section 265(b) of the Code.

This Certificate is executed and is being delivered pursuant to Section 1.148(b)(2)(i) of the Regulations promulgated under Section 148 of the Code.

Dated March 11, 2016

Town of Hinesburg

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\_\_\_\_\_  
Treasurer

\_\_\_\_\_  
Select Board or a Majority Thereof

**Information Return for Tax-Exempt Governmental Obligations**

▶ Under Internal Revenue Code section 149(e)  
 ▶ See separate instructions.  
**Caution: If the issue price is under \$100,000, use Form 8038-GC.**

OMB No. 1545-0720

<b>Part I Reporting Authority</b>		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name <b>Town of Hinesburg</b>		2 Issuer's employer identification number (EIN) <b>03-6000511</b>	
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) <b>10632 RT 116</b>	Room/suite	5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code <b>Hinesburg, VT 05461</b>		7 Date of issue <b>3/11/2016</b>	
8 Name of issue <b>Current Expense Note</b>		9 CUSIP number <b>None</b>	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) <b>Melissa Ross, Treasurer</b>		10b Telephone number of officer or other employee shown on 10a <b>802-482-2281</b>	

**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 ▶ <b>Current Expense Note</b>	18	<b>300,000</b>	<b>00</b>
19 If obligations are TANs or RANs, check only box 19a			
If obligations are BANs, check only box 19b			
20 If obligations are in the form of a lease or installment sale, check box			

**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	<b>5/11/2016</b>	\$ <b>300,000</b>	\$ <b>300,000</b>	<b>0.2</b> years	<b>1.50</b> %

**Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)**

22 Proceeds used for accrued interest	22	<b>300,000</b>	
23 Issue price of entire issue (enter amount from line 21, column (b))	23	<b>-0-</b>	
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	<b>-0-</b>	
25 Proceeds used for credit enhancement	25	<b>-0-</b>	
26 Proceeds allocated to reasonably required reserve or replacement fund	26	<b>-0-</b>	
27 Proceeds used to currently refund prior issues	27	<b>-0-</b>	
28 Proceeds used to advance refund prior issues	28	<b>-0-</b>	
29 Total (add lines 24 through 28)	29	<b>-0-</b>	
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	<b>300,000</b>	

**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	▶	<u>    N/A    </u> years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	▶	<u>    N/A    </u> years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	▶	<u>    N/A    </u>
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	▶	<u>    N/A    </u>

**Part VI Miscellaneous**

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|------------|--|--|
| <b>35</b>  |  |  |
| <b>36a</b> |  |  |
| <b>37</b>  |  |  |
- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . . .
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) . . . . .
- b** Enter the final maturity date of the GIC ▶ \_\_\_\_\_
- c** Enter the name of the GIC provider ▶ \_\_\_\_\_
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . .
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box  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 . . . . .
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . .
- 41a** If the issuer has identified a hedge, check here  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 . . . . .
- 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 . . . . .
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . .
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here  and enter the amount of reimbursement . . . . . ▶ \_\_\_\_\_
- b** Enter the date the official intent was adopted ▶ \_\_\_\_\_

<b>Signature and Consent</b>	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.			
	_____ Signature of issuer's authorized representative	_____ Date	<b>Melissa Ross, Treasurer</b> Type or print name and title	
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed <span style="float: right;">PTIN</span>
	Firm's name ▶	Firm's EIN ▶		
	Firm's address ▶	Phone no.		