

This Preliminary Official Statement and the information contained in it are subject to completion and amendment in a final official statement. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there may not be any sale of the Notes, offered by this Preliminary Official Statement, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of that jurisdiction.

NOTICE OF SALE AND PRELIMINARY OFFICIAL STATEMENT DATED APRIL 26, 2018

BOOK ENTRY ONLY

Ratings: See "Ratings" herein

In the opinion of Locke Lord LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Notes will not be included in computing the alternative minimum taxable income of individuals or, except as described herein, corporations. Under existing law, interest on the Notes is exempt from Massachusetts personal income taxes, and the Notes are exempt from Massachusetts personal property taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. See "Tax Exemption" herein. The Notes will not be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

TOWN OF HINGHAM, MASSACHUSETTS

\$10,825,426*

General Obligation Bond Anticipation Notes (the "Notes")

Dated: May 16, 2018

Due: May 16, 2019

Rate:**

Yield:**

The Notes will be dated May 16, 2018 and will bear interest from that date until their maturity date on May 16, 2019, at an annual rate as specified by the successful bidder for the Notes. The Notes will be issued in fully registered form without coupons, and, when issued, will be registered in the name of Cede & Co., nominee of The Depository Trust Company ("DTC") in New York, New York, unless the issuance of a fully registered note certificate is requested by the successful bidder in accordance with the Official Notice of Sale relating to the Notes, and the issuance of such certificate is approved by the Town. Purchases of the Notes will be made in book-entry form, in the denomination of \$5,000 or an integral multiple thereof, except for one necessary odd denomination in the amount of \$426. (See "Book-Entry Only System" herein).

A successful bidder for all of the Notes may request that the Notes be issued in the form of one fully registered physical certificate, rather than in book-entry form through the facilities of DTC. The successful bidder seeking the issuance of the Notes in this manner shall bear any and all costs of any re-registration or transfer of Notes from time to time. Any bidder seeking to have the Notes issued in the form of fully registered physical certificates, rather than in book-entry form, shall indicate this preference to the Town at the time of the submission of the winning bid. The Town reserves the right to decline any request to issue the Notes in non-book entry form if it should determine, in its sole discretion that issuing the Notes in this manner is not in its best interests. U.S. Bank National Association, Boston, Massachusetts, will act as Paying Agent for the Notes.

The Notes are not subject to redemption prior to maturity.

THE NOTES ARE BEING OFFERED FOR SALE AT 11:00 AM (EASTERN DAYLIGHT TIME), ON TUESDAY, MAY 8, 2018, AT CAPITAL MARKETS ADVISORS, LLC, 11 GRACE AVENUE SUITE 308, GREAT NECK, NEW YORK. REFERENCE IS MADE TO THE NOTICE OF SALE DATED APRIL 26, 2018 FOR THE CONDITIONS OF SUCH SALE.

The Notes are offered for delivery when, as and if issued by the Town and received by the winning bidder(s), subject to the approving opinion of Locke Lord LLP, Boston, Massachusetts, Bond Counsel, and to certain other conditions referred to herein and in the Official Notice of Sale. Capital Markets Advisors LLC, has acted as Municipal Advisor to the Town with respect to the Notes. It is expected that the Notes in definitive form will be delivered to DTC in New York, New York or to the registered owner if a fully registered Note certificate is requested by the winning bidder and approved by the Town, on or about May 16, 2018, against payment in Federal Reserve Funds.

* Preliminary, subject to change.

** Will be set forth in the Final Official Statement described herein.

Dated: April __, 2018

This Official Statement is not to be construed as a contract or agreement between the Town of Hingham, Massachusetts and the purchasers or holders of any of the Notes. The information set forth herein has been obtained from the Town and from other sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Notes described herein shall, under any circumstances, create any implication that there has been no change in the affairs of the Town of Hingham, Massachusetts since the date hereof.

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The scope of engagement of Bond Counsel does not extend to passing upon or assuming responsibility for accuracy or adequacy of any statements made in this Official Statement other than matters expressly set forth as their opinion and they make no representation that they have independently verified the same.

NOTE ISSUE SUMMARY

TOWN OF HINGHAM, MASSACHUSETTS

\$10,825,426*

General Obligation Bond Anticipation Notes

The information in this Note Issue Summary is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

DATE OF SALE: Tuesday, May 8, 2018

LOCATION OF SALE: The offices of Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, fax (516) 487-2575 and telephone (516) 570-0340.

ISSUER: Town of Hingham, Massachusetts (the “Town”)

NOTE ISSUE: \$10,825,426* General Obligation Bond Anticipation Notes (the “Notes”).

DATED DATE: The Notes will be dated as of their date of delivery.

NOTE MATURITY DATE: The Notes will mature on May 16, 2019.

AUTHORIZATION AND PURPOSE OF THE NOTES: The proceeds from the sale of the Notes, together with \$551,067 in available funds, will be used to (i) redeem \$10,903,243 bond anticipation notes originally issued to finance various municipal projects and (ii) provide original financing for certain additional purposes under the provisions of Chapter 44 of the Massachusetts General Laws. See ‘Authorization and Purpose of the additional Notes’ herein.

NOTE REDEMPTION: The Notes are not subject to redemption prior to maturity.

SECURITY FOR THE NOTES: The Notes are valid general obligations of the Town, and, to the extent not paid from other sources, the Notes are payable from taxes which may be levied upon all taxable property within the territorial limits of the Town, subject to the limit imposed by Chapter 59, Section 21C of the General Laws.

RATINGS: The Town currently has underlying, uninsured credit ratings from Moody’s Investors Service, S&P Global Ratings and Fitch Ratings of Aaa/AAA/AAA, respectively. The Town has not applied for a rating on the Notes. See “Ratings” herein.

BASIS OF AWARD: Notes will be awarded based on Lowest Net Interest Cost (“NIC”) as of the dated date.

TAX EXEMPTION: In the opinion of Locke Lord LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”). Interest on the Notes will not be included in computing the alternative minimum taxable income of individuals or, except as described herein, corporations. Under existing law, interest on the Notes is exempt from Massachusetts personal income taxes, and the Notes are exempt from Massachusetts personal property taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. See “Tax Exemption” herein. The Notes will not be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

SIGNIFICANT EVENTS DISCLOSURE WITH RESPECT TO THE NOTES: Refer to “*Disclosure of Significant Events with Respect to the Notes*” herein.

*Preliminary, subject to change.

BANK QUALIFICATION: The Town will not designate the Notes as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. Accordingly, no deduction will be allowed to a financial institution for any portion of its interest expense allocable to the Notes.

PAYING AGENT: U.S. Bank National Association, Boston, Massachusetts

LEGAL OPINION: Locke Lord LLP, Boston, Massachusetts will act as Bond Counsel.

DELIVERY AND PAYMENT: It is expected that delivery of the Notes in book-entry form will be made to The Depository Trust Company or its custodial agent on or about May 16, 2018. Delivery of the Notes will be made against payments in Federal Reserve Funds.

TOWN OFFICIAL: For more information concerning the Town and the Official Statement contact Jean M. Montgomery, Town Treasurer/Collector, (781) 741-1408 or Sue Nickerson, Town Accountant, Town of Hingham, Massachusetts, (781) 741-1470.

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**OFFICIAL STATEMENT
TOWN OF HINGHAM
MASSACHUSETTS**

\$10,825,426* General Obligation Bond Anticipation Notes

This Official Statement is provided for the purpose of presenting certain information relating to the Town of Hingham, Massachusetts (the “Town”) in connection with the issuance and sale of \$10,825,426* General Obligation Bond Anticipation Notes (the “Notes”). The information contained herein has been furnished by the Town, except information specifically attributed to another government agency or official.

The Notes are being offered for sale at public bidding on Tuesday, May 8, 2018. A Notice of Sale dated April 26, 2018 has been furnished to prospective bidders. Reference is hereby made to the Notice of Sale for the terms and conditions of the bidding.

THE NOTES

Description of the Notes

The Notes will be dated May 16, 2018 and principal of and interest on the Notes will be payable on May 16, 2019. The Notes will be issued by means of a book-entry system evidencing ownership of the Notes in denominations of \$5,000, or integral multiples thereof except for one necessary odd denomination of \$426, with transfers of ownership affected on the records of DTC and its participants pursuant to the rules and procedures adopted by the DTC, unless the delivery of a fully registered note certificate is requested by the winning bidder and the issuance of such certificate is approved by the Town. Interest on the Notes will be computed based on a 30-day month and a 360-day year at the rate or rates determined upon their sale in accordance with the Notice of Sale dated April 26, 2018.

Authorization and Purpose of the Notes

The Notes are being issued pursuant to Chapters 44 and 44B of the Massachusetts General Laws and various votes of the Town as described below. Proceeds from the sale of the Notes, together with \$551,067 in available funds, will be used to redeem \$10,903,243 outstanding bond anticipation notes of the Town maturing on May 18, 2018 and provide original financing for certain purposes as described below.

<u>Authorization Date</u>	<u>Amount Authorized</u>	<u>Purpose</u>	<u>G.L. Borrowing Authority</u>	<u>Notes Outstanding</u>	<u>Principal Paydown</u>	<u>New Money</u>	<u>Amount in this Issue of Notes</u>
10/27/2008	\$7,000,000	Lincoln School Apartments Acquisition	Ch. 44, Sec. 7(1)	\$ 166,667	\$ 11,111	\$ 0	\$ 155,556
04/22/2013	3,750,000	Land Acquisition – Recreation Park Dr.	Ch. 44 Sec. 7(1)	3,540,000	105,000	0	3,435,000
04/22/2013	1,100,000	Hingham Heritage Museum & Visitor Center	Ch. 44 Sec. 7(1)	612,820	153,205	0	459,615
04/25/2016	2,242,000	Road Improvements	Ch. 44 Sec. 7(1)	1,800,000	0	165,000	1,965,000
04/25/2016	4,500,000	Land Acquisitions- Lehner Properties	Ch. 44B	4,500,000	225,000	0	4,275,000
04/24/2017	283,756	Golf Carts and Utility Vehicles	Ch. 44 Sec. 7(1)	283,756	56,751	0	227,005
04/25/2017	200,000	Sewer Improvements	Ch. 44 Sec 7	0	0	100,000	100,000

Authorization Date	Amount Authorized	Purpose	G.L. Borrowing Authority	Notes Outstanding	Principal Paydown	New Money	Amount in this Issue of Notes
04/25/2017	353,000	Sewer Improvements / Mains & Piping	Ch. 44 Sec 7	0	0	175,000	175,000
04/27/2015	500,000	Design & Engineering North Fire Station	Ch. 44 Sec 7(21)	0	0	33,250	33,250
Total:				<u>\$ 10,903,243</u>	<u>\$ 551,067</u>	<u>\$ 473,250</u>	<u>\$10,825,426</u>

*Preliminary, subject to change.

Redemption

The Notes will not be subject to redemption prior to maturity.

Book-Entry Only System

This section shall only apply to Notes issued in book-entry form through the facilities of The Depository Trust Company (“DTC”), New York, NY.

DTC will act as securities depository for the Notes. The Notes will be issued in fully-registered form registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such maturity, and each certificate will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities held by it; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to securities held by it unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town or the Paying Agent held by it as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption, principal and interest payments on securities held by DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer of securities held by DTC, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to securities held by it at any time by giving reasonable notice to the Town. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered to Beneficial Owners.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

DTC Practices

The Town can make no assurance that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Notes will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

Opinion of Bond Counsel

A copy of the legal opinion of the firm of Locke Lord LLP of Boston, Massachusetts, will be furnished to the respective successful bidders on the Notes (see Appendix E). The opinion will be dated and given on and will speak only as of the date of original delivery of the Notes to the respective successful bidders.

The scope of engagement of Bond Counsel does not extend to passing upon or assuming responsibility for the accuracy or adequacy of any statements made in this Official Statement other than matters expressly set forth as their opinion and they make no representation that they have independently verified the same.

Tax Exemption

In the opinion of Locke Lord LLP, Bond Counsel to the Town, (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Bond Counsel is of the further opinion that interest on the Notes will not be included in computing the alternative minimum taxable income of Noteholders who are individuals or, except as described herein, corporations. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on the Notes. The Notes will not be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

For taxable years that began before January 1, 2018, interest on the Notes owned by a corporation (other than an S corporation, a qualified mutual fund, a real estate investment trust, a real estate mortgage investment conduit, or a financial asset securitization investment trust) will be included in such corporation’s adjusted current earnings for purposes of computing the alternative minimum taxable income of such corporation. The alternative minimum tax on corporations has been repealed for taxable years beginning on or after January 1, 2018.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. Failure to comply with these requirements may result in interest on the Notes being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Notes. The Town has covenanted to comply with such requirements to ensure that interest on the Notes will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these requirements.

Bond Counsel is also of the opinion that, under existing law, interest on the Notes is exempt from Massachusetts personal income taxes, and the Notes are exempt from Massachusetts personal property taxes. Bond Counsel has not opined as to other Massachusetts tax consequences arising with respect to the Notes. Prospective Noteholders should be aware, however, that the Notes are included in the measure of Massachusetts estate and inheritance taxes, and the Notes and the interest thereon are included in the measure of certain Massachusetts corporate excise and franchise taxes. Bond Counsel expresses no opinion as to the taxability of the Notes or the income therefrom or any other tax consequences arising with respect to the Notes under the laws of any state other than Massachusetts.

The difference between the issue price of each Note and the sum of all amounts to be paid with respect to such Note (including all of the amounts stated to be interest) constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes. For this purpose, the issue price of a particular maturity of the Notes is either the reasonably expected initial offering price to the public or the first price at which a substantial amount of such maturity of the Notes is sold to the public, as applicable. The original issue discount with respect to the Notes (including the stated interest amounts paid thereon) accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. In addition, because all of the interest on the Notes is determined under the original issue discount rules described in this paragraph, a subsequent purchaser of any Notes will be subject to the market discount rules established under the Code if such purchaser’s acquisition price for such Notes is less than the adjusted issue price therefor, even if that purchase price is at or above the stated par amount of such Notes. Noteholders should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount and/or accrued market discount, including the treatment of purchasers who do not purchase such Notes in the original offering to the public at the reasonably expected initial offering price or, if applicable, the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Notes, or, in some cases, at the earlier redemption date of such Notes (“Premium Notes”), will be treated as having amortizable note premium for federal income tax purposes and Massachusetts personal income tax purposes. No deduction is allowable for the amortizable note premium in the case of obligations, such as the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, a Noteholder’s basis in a Premium Note will be reduced by the amount of amortizable note premium properly allocable to such Noteholder. Holders of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable note premium in their particular circumstances.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect the federal or state tax liability of a Noteholder. Among other possible consequences of ownership or disposition of, or the accrual or receipt of interest on, the Notes, the Code requires recipients of certain social security and certain railroad retirement benefits to take into account receipts or accruals of interest on the Notes in determining the portion of such benefits that are included in gross income. The nature and extent of all such other tax consequences will depend upon the particular tax status of the Noteholder or the Noteholder's other items of income, deduction, or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and Noteholders should consult with their own tax advisors with respect to such consequences.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the Massachusetts legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, H.R. 1, signed into law on December 22, 2017, reduces the corporate tax rate, modifies individual tax rates, eliminates many deductions, and raises the income threshold above which the individual alternative minimum tax is invoked, among other things. These changes may increase, reduce or otherwise change the financial benefits of owning state and local government bonds or notes. Additionally, Noteholders should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Notes may be affected and the ability of Noteholders to sell their Notes in the secondary market may be reduced. The Notes are not subject to special mandatory redemption, and the interest rate on the Notes is not subject to adjustment, in the event of any such change in the tax treatment of interest on the Notes.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Security and Remedies

Full Faith and Credit. General obligation bonds and notes of a Massachusetts city or town constitute a pledge of its full faith and credit. Payment is not limited to a particular fund or revenue source. Except for "qualified bonds" as described above (see "Notes" under "TYPES OF OBLIGATIONS" above) and setoffs of state distributions as described below (see "*State Distributions*" below), no provision is made by the Massachusetts statutes for priorities among bonds and notes and other general obligations, although the use of certain moneys may be restricted.

Tax Levy. The Massachusetts statutes direct the municipal assessors to include annually in the tax levy for the next fiscal year "all debt and interest charges matured and maturing during the next fiscal year and not otherwise provided for [and] all amounts necessary to satisfy final judgments". Specific provision is also made for including in the next tax levy payments of rebate amounts not otherwise provided for and payment of notes in anticipation of federal or state aid, if the aid is no longer forthcoming.

The total amount of a tax levy is limited by statute. However, the voters in each municipality may vote to exclude from the limitation any amounts required to pay debt service on indebtedness incurred before November 4, 1980. Local voters may also vote to exempt specific subsequent bond issues from the limitation. (See "*Tax Limitations*" Under "PROPERTY TAX" below.) In addition, obligations incurred before November 4, 1980 may be constitutionally entitled to payment from taxes in excess of the statutory limit.

No Lien. Except for taxes on the increased value of certain property in designated development districts which may be pledged for the payment of debt service on bonds issued to finance economic development projects within such districts, no provision is made for a lien on any portion of the tax levy or any other moneys to secure particular bonds or notes or bonds and notes generally (or

judgments on bonds or notes) in priority to other claims. Provision is made, however, for borrowing to pay judgments, subject to the General Debt Limit. (See “DEBT LIMITS” below.) Subject to the approval of the State Director of Accounts for judgments above \$10,000, judgments may also be paid from available funds without appropriation and included in the next tax levy unless other provision is made.

Court Proceedings. Massachusetts cities and towns are subject to suit on their general obligation bonds and notes and courts of competent jurisdiction have power in appropriate proceedings to order payment of a judgment on the bonds or notes from lawfully available funds or, if necessary, to order the city or town to take lawful action to obtain the required money, including the raising of it in the next annual tax levy, within the limits prescribed by law. (See “*Tax Limitations*” under “PROPERTY TAX” below.) In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors including the current operating needs of the city or town and the availability and adequacy of other remedies. The Massachusetts Supreme Judicial Court has stated in the past that a judgment against a municipality can be enforced by the taking and sale of the property of any inhabitant. However, there has been no judicial determination as to whether this remedy is constitutional under current due process and equal protection standards.

Restricted Funds. Massachusetts statutes also provide that certain water, gas and electric, community antenna television system, telecommunications, sewer, parking meter and passenger ferry fee, community preservation and affordable housing receipts may be used only for water, gas and electric, community antenna television system, telecommunications, sewer, parking, mitigation of ferry service impacts, community preservation and affordable housing purposes, respectively; accordingly, moneys derived from these sources may be unavailable to pay general obligation bonds and notes issued for other purposes. A city or town that accepts certain other statutory provisions may establish an enterprise fund for a utility, health care, solid waste, recreational or transportation facility and for police or fire services; under those provisions any surplus in the fund is restricted to use for capital expenditures or reduction of user charges. In addition, subject to certain limits, a city or town may annually authorize the establishment of one or more revolving funds in connection with use of certain revenues for programs that produce those revenues; interest earned on a revolving fund is treated as general fund revenue. A city or town may also establish an energy revolving loan fund to provide loans to owners of privately held property in the city or town for certain energy conservation and renewable energy projects and may borrow to establish such fund. The loan repayments and interest earned on the investment of amounts in the fund shall be credited to the fund. Also, the annual allowance for depreciation of a gas and electric plant or a community antenna television and telecommunications system is restricted to use for plant or system renewals and improvements, for nuclear decommissioning costs, and costs of contractual commitments, or, with the approval of the State Department of Telecommunications and Energy, to pay debt incurred for plant or system reconstruction or renewals. Revenue bonds and notes issued in anticipation of them may be secured by a prior lien on specific revenues. Receipts from industrial users in connection with industrial revenue financings are also not available for general municipal purposes.

State Distributions. State grants and distributions may in some circumstances be unavailable to pay general obligation bonds and notes of a city or town in that the State Treasurer is empowered to deduct from such grants and distributions the amount of any debt service paid on “qualified bonds” (See “*Serial Bonds and Notes*” under “TYPES OF OBLIGATIONS” above) and any other sums due and payable by the city or town to the Commonwealth or certain other public entities, including any unpaid assessments for costs of any public transportation authority (such as the Massachusetts Bay Transportation Authority or a regional transit authority) of which it is a member, for costs of the Massachusetts Water Resources Authority if the city or town is within the territory served by the Authority, for any debt service due on obligations issued to the Massachusetts School Building Authority, or for charges necessary to meet obligations under the Commonwealth’s Water Pollution Abatement or Drinking Water Revolving Loan Programs, including such charges imposed by another local governmental unit that provides wastewater collection or treatment services or drinking water services to the city or town.

If a city or town is (or is likely to be) unable to pay principal or interest on its bonds or notes when due, it is required to notify the State Commissioner of Revenue. The Commissioner shall in turn, after verifying the inability, certify the inability to the State Treasurer. The State Treasurer shall pay the due or overdue amount to the paying agent for the bonds or notes, in trust, within three days after the certification or one business day prior to the due date (whichever is later). This payment is limited, however, to the estimated amount otherwise distributable by the Commonwealth to the city or town during the remainder of the fiscal year (after the deductions mentioned in the foregoing paragraph). If for any reason any portion of the certified sum has not been paid at the end of the fiscal year, the State Treasurer shall pay it as soon as practicable in the next fiscal year to the extent of the estimated distributions for that fiscal year. The sums so paid shall be charged (with interest and administrative costs) against the distributions to the city or town.

The foregoing does not constitute a pledge of the faith and credit of the Commonwealth. The Commonwealth has not agreed to maintain existing levels of state distributions, and the direction to use estimated distributions to pay debt service may be subject to repeal by future legislation. Moreover, adoption of the annual appropriation act has sometimes been delayed beyond the beginning

of the fiscal year and estimated distributions which are subject to appropriation may be unavailable to pay local debt service until they are appropriated.

Bankruptcy. Enforcement of a claim for payment of principal or interest on general obligation bonds or notes would be subject to the applicable provisions of Federal bankruptcy laws and to the provisions of other statutes, if any, hereafter enacted by the Congress or the State legislature extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Massachusetts municipalities are not generally authorized by the Massachusetts General Laws to file a petition for bankruptcy under Federal Bankruptcy laws. In cases involving significant financial difficulties faced by a single city, town or regional school district, however, the Commonwealth has enacted special legislation to permit the appointment of a fiscal overseer, finance control board or, in the most extreme cases, a state receiver. In a limited number of these situations, such special legislation has also authorized the filing of Federal bankruptcy proceedings, with the prior approval of the Commonwealth. In each case where such authority was granted, it expired at the termination of the Commonwealth's oversight of the financially distressed city, town or regional school district. To date, no such filings had been approved or made.

Ratings

The Town has not applied for a rating on the Notes. On May 3, 2016 Moody's Investors Service affirmed the Town's underlying credit rating of "Aaa" with a stable outlook. On May 3, 2016 Fitch Ratings affirmed the Town's underlying credit rating of "AAA" and its Issuer Default Rating at "AAA" with a stable outlook. On May 4, 2016 S&P Global Ratings affirmed the Town's underlying credit rating of "AAA" with a stable outlook.

Any explanation of the significance of any rating should be obtained from the rating agency at the following addresses: Moody's Investors Service, 99 Church Street, New York, New York 10004; Fitch Ratings, One State Street Plaza, New York, New York 10004; S&P Global Ratings, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that an underlying rating will continue for any given period of time or that a rating will not be revised downward or withdrawn entirely by a rating agency if, in its judgment, circumstances so warrant. A downward revision or withdrawal of an underlying rating could have an adverse effect on the market price of the Notes, as well as any outstanding bonds.

Municipal Advisor

The Town has retained Capital Markets Advisors, LLC, New York and Great Neck, New York, as Municipal Advisor (the "Municipal Advisor") in connection with the issuance of the Notes. In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the Town to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Notes.

Requests for information concerning the Town should be addressed to the Town Treasurer, Jean M. Montgomery, c/o Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021 (516) 570-0340.

Disclosure of Significant Events with Respect to the Notes

In order to assist underwriters in complying with the requirements of paragraph (b)(5)(i)(C) of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule") applicable to municipal securities having a stated maturity of 18 months or less, the Town will covenant for the benefit of the owners of the Notes to file with the Municipal Securities Rulemaking Board (the "MSRB"), notices of the occurrence of any of the following events with respect to the Notes within ten business days of such occurrence: (a) principal and interest payment delinquencies; (b) non-payment related defaults, if material; (c) unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancements reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (g) modifications to rights of owners of the Notes, if

material; (h) bond calls, if material, and tender offers; (i) defeasances; (j) release, substitution or sale of property securing the repayment of the Notes, if material; (k) ratings changes on the Notes; (l) bankruptcy, insolvency, receivership or similar event of the Town; (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (n) appointment of a successor or additional trustee or the change of name of a trustee, if material. The covenant will be included in a Significant Events Disclosure Certificate to be executed by the signers of the Notes and incorporated by reference in the Notes, the proposed form of which is provided in Appendix F.

Other than the Town, there are no obligated persons with respect to the Notes within the meaning of the Rule. The sole remedy available to the owners of the Notes for the failure of the Town to comply with any provision of the applicable certificates shall be an action for specific performance of the Town's obligations under the applicable certificate and not for money damages; no other person shall have any right to enforce any provision of the applicable certificates.

The Town has previously undertaken in disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide annual reports and significant events notices pursuant to the Rule. Except as described below, in the past five years, the Town believes that it has complied, in all material respects, with its previous undertakings to provide annual reports or notices of significant events in accordance with the Rule.

Due to administrative oversight by the Town's filing agent, the Town's 2013 audited financial statements and Annual Report were not filed in a timely manner. All required information has since been filed. Annual financial statements and Annual Reports were timely filed for fiscal years 2014, 2015, 2016 and 2017. The Town has established procedures with its filing agent to ensure that future filings of continuing disclosure information and notice of significant events within the meaning of the Rule, will be in compliance with existing continuing disclosure covenants, including transmitting such filings to the MSRB through its Electronic Municipal Market Access system.

APPENDIX A

THE TOWN

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THE TOWN

General

The Town of Hingham, Massachusetts (the “Town”), was incorporated in 1635. It is located in Plymouth County, about 15 miles south of Boston. The Town is bordered on the north mostly by the Atlantic Ocean, but also by the Town of Hull. It is bordered on the south by the Towns of Norwell and Rockland, to the east by the Towns of Cohasset and Scituate, and on the west by the Town of Weymouth. Hingham has a population of 22,157 (2010 U.S. Census) and occupies a land area of 22.5 square miles. The Town is governed by an open Town Meeting, and Town affairs are administered by a three-person Board of Selectmen, and an appointed Town Administrator.

The Town’s history is reflected in its many antique houses, including “Old Ordinary” on Lincoln Street, which now houses the Hingham Historical Society Museum. Derby Academy, founded in 1784, is the oldest co-educational school in the country and Hingham’s Old Ship Church is the oldest church structure in the country in continuous use as a place of worship. Hingham has created six historic districts which will help the Town maintain its unique character in the future.

The following is a list of principal Town officials. The terms of each elected official expire on the first Saturday in May of their respective expiration year.

Principal Town Officials

<u>Office</u>	<u>Name</u>	<u>Manner of Selection</u>	<u>Term Expires</u>
Selectman, Chairman	Mary Power	Elected	2018
Selectman	Paul K. Healey	Elected	2019
Selectman	Karen Johnson	Elected	2020
Town Administrator/Finance Director	Thomas Mayo	Appointed	Indefinite
Treasurer/Collector	Jean M. Montgomery	Appointed	Indefinite
Town Accountant	Susan M. Nickerson	Appointed	Indefinite
Town Clerk	Eileen A. McCracken	Elected	2018

Source: Office of the Town Administrator.

Municipal Services

The Town provides general governmental services within its boundaries including police and fire protection, public education, street maintenance, recreation and a municipal golf course (the South Shore Country Club). The Massachusetts Water Resources Authority (“MWRA”) and the Town of Hull through their wastewater treatment facilities provide wastewater treatment services to approximately 30% of the households in the Town. The Hingham Municipal Light Plant, a self-supporting enterprise, provides electric power to the Town, while Aquarion Water Company, a private firm, provides water service to the Town see “*Recent Developments*” herein. The Hingham Housing Authority maintains housing for elderly and handicapped residents. The Town owns and manages through its Affordable Housing Trust the Lincoln School Apartments, a sixty unit affordable housing complex. The principal services provided by Plymouth County are court facilities, a jail and house of corrections, and registry of deeds.

Education

The Town’s public school facilities include four elementary schools (grades K-5), one junior high school (grades 6-8), and one senior high school (grades 9-12).

The table below shows the trend in public school enrollments for the following school years, and enrollment projections for the 2019 school year.

<u>Public School Enrollments⁽¹⁾</u>							
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019⁽¹⁾</u>	<u>Capacity</u>
Elementary (K-5)	2,066	2,001	2,014	1,930	1,901	1,880	2,140
Junior High (6-8)	977	1,066	1,081	1,097	1,076	1,032	1,020 ⁽²⁾
Senior High (9-12)	<u>1,135</u>	<u>1,193</u>	<u>1,224</u>	<u>1,225</u>	<u>1,256</u>	<u>1,292</u>	<u>1,150⁽²⁾</u>
Total	<u>4,178</u>	<u>4,260</u>	<u>4,319</u>	<u>4,252</u>	<u>4,233</u>	<u>4,204</u>	<u>4,310</u>

(1) All numbers are as of October 1 of the fiscal year, except for the 2019 fiscal year, which is projected.

(2) Enrollment above capacity is handled by the scheduling of educational programs in common spaces such as the cafeteria, auditorium and gymnasium.

Source: Office of the Superintendent of Schools and Massachusetts Department of Education.

Industry and Commerce

Hingham is a suburb of Boston, and is primarily a residential community. The wholesale/retail trade sector employs the greatest percentage of people, followed by the service sector. The following table sets forth the Town's largest employers.

Largest Employers – 2017

<u>Company</u>	<u>Nature of Business</u>	<u>Approximate Number of Current Employees</u>
Blue Cross/Blue Shield	Health Care	1,456
Town of Hingham	Government	985
Linden Ponds	Health Care	802
Talbot's	Retail Clothing	461
Serono Laboratories	Bio-Technology	437
Harbor House	Health Care	247
Whole Foods	Retail	212
Stop & Shop	Retail	196
Russ Electric	Manufacturing	191
Eat Well	Restaurant	170

Source: Mass Department of Labor and Workforce Development

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Unemployment

According to data furnished by the Massachusetts Department of Employment and Training for the month ending December 31, 2017, the Town had an average labor force of 10,888, of which 2.5% were unemployed as compared to 3.1% for the State and 4.1% for the United States. The following table sets forth the Town's average labor force and unemployment rates for calendar years 2013 through 2017, and the unemployment rates for the Commonwealth of Massachusetts and the United States for the same period.

Unemployment Rates

<u>Year</u>	<u>Town of Hingham</u>		<u>Massachusetts</u>	<u>United States</u>
	<u>Labor Force</u>	<u>Unemployment Rate</u>	<u>Unemployment Rate</u>	<u>Unemployment Rate</u>
2017	10,888	2.5%	3.1%	4.1%
2016	10,704	2.2	2.8	4.5
2015	10,526	3.6	4.6	4.8
2014	10,208	3.6	4.9	5.4
2013	11,202	4.6	6.0	6.5

Source: Massachusetts Labor and Workforce Development (as of December in each year).

Building Permits

The following table sets forth the number of building permits issued and the estimated dollar value of new construction and alterations for fiscal years 2013 through 2017. The estimated dollar values are builders' estimates and are generally considered to be conservative. Permits are filed and estimated valuations are shown for both private construction and Town projects.

Building Permits

<u>Fiscal Year</u>	<u>Residential</u>		<u>Non-Residential</u>			<u>Total</u>
	<u>No.</u>	<u>Value</u>	<u>No.</u>	<u>Value</u>	<u>No.</u>	<u>Value</u>
2017	931	\$109,928,064 ¹	263	\$12,102,620	1940	\$122,030,684
2016	1,057	46,649,068	301	18,911,509	1,358	65,560,577
2015	862	39,402,588	295	17,860,008	1,157	57,262,596
2014	847	69,769,445	263	17,518,199	1,110	87,287,644
2013	656	53,258,863	304	15,744,282	960	69,003,145

- (1) Large increase mainly attributed to the construction of two residential projects in the Hingham Shipyard area, Avalon Bay Apartments and Brio Condominiums valued at approximately \$32 million and \$25 million respectively.

Source: Office of the Building Commissioner.

Transportation

The principal highways serving the Town are State Routes 3, 3A and 228. Bus service within the Town and to neighboring communities is provided by the MBTA. Plymouth and Brockton Bus Lines regularly provide direct bus service to Boston. The MBTA regularly provides commuter rail service to Boston via the Greenbush line, with two stations for parking and boarding in Hingham.

The Hingham-Boston Commuter Boat, operated by private concerns, under contract with the MBTA, provides daily ferry service to Boston.

The Town is within a 40-minute driving distance of Boston’s Logan International Airport as well as to the municipal airport facilities in Norwood, Marshfield and Middleborough.

Income Levels and Population

The following table shows the population trends from the past four federal census reports and estimated for calendar year 2017.

<u>Population Trends</u>				
<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2017⁽¹⁾</u>
20,339	19,821	19,882	22,157	22,741

(1) Estimated as of 2017
 Source: Federal Bureau of the Census and Town.

The following table compares federal census figures for the Town, the Commonwealth and the United States.

	<u>Hingham</u>	<u>Massachusetts</u>	<u>United States</u>
Median Age:			
2010	41.6	39.1	37.2
2000	39.7	36.5	35.3
1990	37.6	33.6	32.9
1980	32.6	31.2	30.0
Median Family Income:			
2010	\$113,412	\$78,653	\$60,609
2000	98,598	61,664	50,046
1990	66,386	44,367	35,225
1980	30,157	21,166	19,908
Per Capita Income:			
2010	\$57,614	\$33,704	\$26,505
2000	41,703	25,952	21,587
1990	25,726	17,224	14,420
1980	9,949	7,459	7,313

Source: Town Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017.

PROPERTY TAXATION

Tax Levy Computation

The principal revenue source of the Town is the tax on real and personal property. The amount to be levied in each year is the amount appropriated or required by law to be raised for municipal expenditures less estimated receipts from other sources and less appropriations voted from available funds. The total amount levied is subject to certain limits prescribed by law; for a description of those limits, see “Property Tax Limitation” below. As to the inclusion of debt service and final judgments, see “Security and Remedies” above.

The estimated receipts for a fiscal year from other sources may not exceed the actual receipts during the preceding fiscal year from the same sources unless approved by the State Commissioner of Revenue. Except for special funds the use of which is otherwise provided for by law, the deduction for appropriations voted from available funds for a fiscal year cannot exceed the “free cash” as of the beginning of the prior fiscal year as certified by the State Director

of Accounts plus up to nine months' collections and receipts on account of earlier years' taxes after that date. Subject to certain adjustments, free cash is surplus revenue less uncollected overdue property taxes from earlier years.

Although an allowance is made in the tax levy for abatements (see "Overlay" below) no reserve is generally provided for uncollectible real property taxes. Since some of the levy is inevitably not collected, this creates a cash deficiency which may or may not be offset by other items (see "Taxation to Meet Deficits" below).

The following table illustrates the details of the calculation of the tax levies for the last five fiscal years:

<u>Tax Levy Computation</u>					
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total Appropriations ⁽¹⁾	\$92,283,168	\$97,994,677	\$103,846,187	\$107,227,378	\$107,660,600
Additions:					
State and County Assessments	805,781	813,681	853,119	957,752	950,290
Overlay Reserve	394,914	421,513	386,875	361,743	348,131
Other Additions	<u>98,560</u>	<u>46,188</u>	<u>82,420</u>	<u>120,377</u>	<u>250,396</u>
Total Additions	<u>1,299,255</u>	<u>\$1,281,382</u>	<u>\$1,322,414</u>	<u>\$1,439,872</u>	<u>\$1,548,817</u>
Gross Amount to be Raised	<u>\$93,582,423</u>	<u>\$99,276,059</u>	<u>\$105,168,601</u>	<u>\$108,667,250</u>	<u>\$109,209,417</u>
Deductions:					
Local Estimated Receipts:					
Local	9,137,346	9,430,674	9,977,742	11,069,454	11,179,990
Enterprise	2,213,456	2,181,127	2,231,877	2,103,614	2,192,765
Community Preservation Fund	622,700	1,245,470	945,444	1,214,242	559,379
State Aid ⁽²⁾ :					
Current Year	9,830,669	9,985,765	10,161,585	10,543,195	10,785,905
Available Funds ⁽³⁾ :					
Free Cash	1,406,284	1,048,767	3,267,280	3,251,739	2,081,746
Other	<u>676,629</u>	<u>1,213,688</u>	<u>1,454,499</u>	<u>1,279,080</u>	<u>1,196,393</u>
Total Deductions	<u>\$23,887,084</u>	<u>\$25,105,491</u>	<u>\$28,038,427</u>	<u>\$29,461,324</u>	<u>\$27,996,178</u>
Net Amount to be Raised	<u>\$69,695,339</u>	<u>\$74,170,568</u>	<u>\$77,130,174</u>	<u>\$79,205,926</u>	<u>\$81,213,239</u>

(1) Includes annual appropriations from taxation voted subsequent to adoption of the annual budget but prior to setting the tax rate.

(2) Estimated by the State Department of Revenue and required by law to be used in setting of the tax rate. Actual state aid payments may vary upward or downward from said estimates, and the State may withhold (generally quarterly) payments pending receipt of State and County assessments.

(3) Transfers from available funds, including "Free Cash" (see "Free Cash" herein), generally made as an offset to a particular appropriation item.

Source: Tax Rate Recapitulation – Fiscal Year 2018.

Assessed Valuations and Tax Levies

Tax Rate and Valuation – General Property is classified for the purpose of taxation according to its use. The legislature has in substance created three classes of taxable property: (1) residential real property, (2) open space land, and (3) all other (commercial, industrial and personal property). Within limits, cities and towns are given the option of determining the share of the annual levy to be borne by each of the three categories. The share required to be borne by residential real property is at least 50 per cent of its share of the total taxable valuation; the effective rate for open space must be at least 75 per cent of the effective rate for residential real property; and the share of

commercial, industrial and personal property must not exceed 175 per cent of their share of the total valuation. A city or town may also exempt up to 20 percent of the valuation of residential real property (where used as the taxpayer's principal residence) and up to 10 percent of the valuation of commercial property (where occupied by certain small businesses). Property may not be classified in a city or town until the State Commissioner of Revenue certifies that all property in the city or town has been assessed at its fair cash value. Such certification must take place every five years, or pursuant to a revised schedule as may be issued by the Commissioner.

Related statutes provide that certain forest land, agricultural or horticultural land (assessed at the value it has for these purposes) and recreational land (assessed on the basis of its use at a maximum of 25 percent of its fair cash value) are all to be taxed at the rate applicable to commercial property. Land classified as forest land is valued for this purpose at five percent of fair cash value but not less than ten dollars per acre.

The table below sets forth the trend in the Town's assessed valuations, tax rates, tax levies and tax levies per capita.

Trends in Assessed Valuation, Tax Rates and Levies

<u>Fiscal Year</u>	<u>Real Estate Valuation</u>	<u>Personal Property Valuation</u>	<u>Total Assessed Valuation</u>	<u>Tax Rate Per \$1,000 Assessed Valuation</u>	<u>Gross Tax Levy</u>	<u>Tax Levy Per Capita</u>
2018	\$ 6,797,879,760	\$102,140,530	\$6,900,020,290	\$11.77	\$81,213,239	\$3,571
2017	6,364,061,160	101,728,750	6,465,789,910	12.25	78,653,423	3,436
2016	6,076,591,660	98,762,540	6,175,354,200	12.49	77,130,174	3,498
2015	5,822,941,860	96,496,920	5,919,438,780	12.53	74,170,568	3,311
2014	5,448,118,400	100,873,580	5,548,991,980	12.56	69,695,339	3,131

Source: Tax Rate Recapitulation.

The following is a breakdown of the Town's fiscal 2017 and 2018 real estate valuation by type of property.

Real Estate Valuation

	2017		2018	
	<u>Assessed Valuation</u>	<u>% of Total</u>	<u>Assessed Valuation</u>	<u>% of Total</u>
Residential	\$5,665,777,460	89.03%	\$6,086,543,946	89.54%
Commercial	521,896,100	8.20	539,513,614	7.94
Industrial	<u>176,387,600</u>	<u>2.77</u>	<u>171,822,200</u>	<u>2.53</u>
Total Real Estate	<u>\$6,364,061,160</u>	<u>100.00%</u>	<u>\$6,797,879,760</u>	<u>100.00%</u>

Source: Tax Rate Recapitulation.

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Largest Taxpayers

The following table is a list of the largest taxpayers in the Town based upon taxes assessed for fiscal year 2018, all of whom are current in their tax payments for the fiscal year 2017.

<u>Largest Taxpayers</u>			
<u>Name</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Valuation ⁽¹⁾</u>
Hingham Campus LLC	Housing	\$167,894,100	2.4%
Hingham Retail Properties LLC	Mall	110,987,600	1.6
Avalon Shipyard LLC	Apartments	53,920,900	0.8
Hingham Launch Properties LLC	Retail	43,031,100	0.6
Aquarion Water Co of Mass	Utility	42,345,220	0.6
ARC/ Talbot's	Office/Manufacturing	28,463,800	0.4
CPT Lincoln Plaza	Retail	23,144,300	0.3
Perry Rockland LLC	Land & Building	18,856,100	0.3
Flatley John J	Land & Building	16,620,200	0.2
Aquarion Water Capital of Mass	Utilities	<u>15,836,680</u>	<u>0.2</u>
		<u>\$537,531,900</u>	7.8%

(1) Total 2018 Assessed Valuation of \$6,900,020,290

Source: Office of the Town Assessor/Appraiser.

State Equalized Valuation

In order to determine appropriate relative values for the purposes of certain distributions to and assessments upon cities and towns, the Commissioner of Revenue biennially makes a determination of the fair cash value of the taxable property in each municipality as of January 1 of even-numbered years. This is known as the "equalized value".

The following table sets forth the trend in state equalized valuations of the Town.

<u>January 1</u>	<u>State Equalized Valuation</u>
2016	\$ 6,668,867,000
2014	5,981,636,700
2012	5,984,621,300
2010	6,257,344,000
2008	6,190,427,500

Source: Massachusetts Department of Revenue.

Local assessed valuations are determined annually as of January 1 and used for the fiscal year beginning on the next July 1. The Town's most recent professional revaluation was completed for use in setting the 2018 fiscal year's tax rate and levy.

Overlay

The Town is authorized by law to increase each tax levy by an amount approved as reasonable by the Commissioner of Revenue for an “overlay” to provide for tax abatements. If abatements are granted in excess of the applicable overlay reserve, the resultant “overlay deficit” is required to be added to the next tax levy. Abatements are granted where exempt real or personal property has been assessed or where taxable real or personal property has been overvalued or disproportionately valued. The assessors may also abate uncollectible personal property taxes. They may abate real and personal property taxes on broad grounds (including inability to pay) with the approval of the State Commissioner of Revenue.

The following table sets forth the amount of the overlay reserve for the last five fiscal years and actual abatements and exemptions granted during the fiscal year against each levy. But uncollected real property taxes are ordinarily not written off until they become municipal “tax titles” by purchase at the public sale or by taking at which time the tax is written off in full by reserving the amount of the tax and charging the surplus.

Overlay Reserve and Abatements

<u>Fiscal Year</u>	<u>Net Levy⁽¹⁾</u>	<u>Overlay Reserve</u>		<u>Abatements Granted</u>
		<u>Dollar Amount</u>	<u>As a % of Net Levy</u>	
2018	\$80,865,108	\$348,131	0.43%	\$178,189 ⁽²⁾
2017	78,844,183	361,743	0.46	133,763
2016	76,743,299	386,875	0.50	123,286
2015	73,749,055	421,513	0.57	181,024
2014	69,300,425	394,914	0.57	126,293

(1) Net of overlay.

(2) As of March 31, 2018

Source: Office of the Assessor/Appraiser.

Tax Collections

Property tax bills are payable quarterly on August 1, November 1, February 1, and May 1 of each fiscal year. Interest accrues on delinquent taxes currently at the rate of 14% per annum retroactive to the due date. Real property (land and buildings) is subject to a lien for the taxes assessed upon it (subject to any paramount federal lien and subject to bankruptcy and insolvency laws). If the property has not been transferred, an unenforced lien expires on the fourth December 31 after the end of the fiscal year to which the tax relates. If the property has not been transferred by the fourth December 31, an unenforced lien expires upon a later transfer of the property. Provision is made, however, for continuation of the lien where it could not be enforced because of a legal impediment. The persons against whom real or personal property taxes are assessed are personally liable for the tax (subject to bankruptcy and insolvency laws). In the case of real property, this personal liability is effectively extinguished by sale or taking of the property as described below.

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The table below compares the Town’s net tax collections with its net (gross tax levy less overlay reserve for abatement) tax levies for the most recent fiscal years.

Tax Levy and Collections

Fiscal Year	Gross Tax Levy ⁽¹⁾	Overlay Reserve for Abatements	Net Tax Levy ⁽²⁾	Collections During Fiscal Year Payable ⁽³⁾		Collections Through March 31, 2018 ⁽⁴⁾	
				Dollar Amount	% of Net Levy	Dollar Amount	% of Net Levy
2018	\$81,213,239	\$348,131	\$80,865,108	NA	NA	\$65,873,792	81.46%
2017	79,205,926	361,743	78,844,183	78,259,723	99.26%	78,653,423	99.76
2016	77,130,174	386,875	76,743,299	74,930,960	97.64	76,624,934	99.85
2015	74,170,568	421,513	73,749,055	72,019,441	97.65	73,409,004	99.54
2014	69,695,339	394,914	69,300,425	68,711,170	99.15	69,255,269	99.93
2013	67,014,119	393,475	66,620,643	66,096,949	99.21	66,566,539	99.92

⁽¹⁾ Includes Real Estate and Personal Property tax; revised and omitted bills.

⁽²⁾ Net after deduction of overlay reserve for abatements.

^(3,4) Actual collections net of refunds. Does not include proceeds of tax titles or tax possessions attributable to each levy or other non-cash credits.

Source: Office of the Treasurer/Collector.

Lien. Real property (land and buildings) is subject to a lien for the taxes assessed upon it, subject to any paramount federal lien and subject to bankruptcy and insolvency laws. (In addition, real property is subject to a lien for certain unpaid municipal charges or fees.) If the property has been transferred, an unenforced lien expires on the fourth December 31 after the end of the fiscal year to which the tax relates. If the property has not been transferred by the fourth December 31, an unenforced lien expires upon a later transfer of the property. Provision is made, however, for continuation of the lien where it could not be enforced because of a legal impediment.

Personal Liability. The persons against whom real or personal property taxes are assessed are personally liable for the tax (subject to bankruptcy and insolvency laws.) In the case of real property, this personal liability is effectively extinguished by sale or taking of the property as described below.

Sale of Tax Receivables. Cities and towns are authorized to sell delinquent property tax receivables by public sale or auction, either individually or in bulk.

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Tax Titles and Possessions

Massachusetts law permits a municipality either to sell by public sale (at which the municipality may become the purchaser) or to take real property for non-payment of taxes. In either case the property owner can redeem the property by paying the unpaid taxes, with interest and other charges, but if the right of redemption is not exercised within six months (which may be extended an additional year in the case of certain installment payments) it can be foreclosed by petition to the Land Court.

Upon such foreclosure, a tax title purchased or taken by the municipality becomes a “tax possession” and may be held and disposed of in the same manner as other land held for municipal tax titles by purchase at the public sale or by taking, at which time the tax is written off in full by reserving the amount of tax and charging surplus.

The table below sets forth the amount of tax titles and possessions outstanding at the end of the following years.

<u>Fiscal Year</u>	<u>Total Tax Titles and Possessions</u>
2018 ⁽¹⁾	\$ 938,933
2017	1,137,994
2016	1,087,193
2015	1,047,463
2014	858,028
2013	846,960

(1) As of March 31, 2018.

Source: Office of Town Treasurer/Collector.

Taxation to Meet Deficits

As noted elsewhere (see “Overlay” above) overlay deficits (tax abatements in excess of the overlay included in the tax levy to cover abatements) are required to be added to the next tax levy. It is generally understood that revenue deficits (those resulting from non-property tax revenues being less than anticipated) are also required to be added to the next tax levy, at least to the extent not covered by surplus revenues.

Amounts lawfully expended since the prior tax levy and not included therein are also required to be included in the annual tax levy. The circumstances under which this can arise are limited since municipal departments are generally prohibited from incurring liabilities in excess of appropriations except for emergencies, mandated items, contracts in aid of housing and renewal projects and other long-term contracts. In addition, certain established salaries such as civil service must legally be paid for work actually performed, whether or not covered by appropriations.

All revenue and overlay deficits in existence at the time tax rates have been set have been provided for as required by Massachusetts law during the relevant period.

Cities and towns are authorized to appropriate sums, and thus to levy taxes, subject to any overall limits on tax levies, to cover deficits arising from other causes such as “free cash” deficits arising from a failure to collect taxes. This is not generally understood, however, and it has not been the practice to levy taxes to cover free cash deficits. Except to the extent that free cash deficits have been reduced or eliminated by subsequent collections of uncollected taxes (including sales of tax titles and tax possessions), lapsed appropriations, non-property tax revenues in excess of estimates, other miscellaneous items or funding loans authorized by special act, they remain in existence.

Property Tax Limitations

Chapter 59, Section 21C of the General Laws, commonly known as “Proposition 2 ½”, imposes two separate limits on the annual tax levy of a city or town.

The primary limitation is that the tax levy cannot exceed 2½ percent of the full and fair cash value. If a city or town exceeds the primary limitation, it must reduce its tax levy by at least 15 percent annually until it is in compliance, provided that the reduction can be reduced in any year to not less than 7½ percent by majority vote of the voters, or to less than 7½ percent by majority vote of the voters, or to less than 7½ percent by two-thirds vote of the voters.

For cities and towns at or below the primary limit, a secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2½ percent, subject to exceptions for property added to the tax rolls or property which has had an increase, other than as part of a general revaluation, in its assessed valuation over the prior year's valuation.

This "growth" limit on the tax levy may be exceeded in any year by a majority vote of the voters, but an increase in the secondary or growth limit under this procedure does not permit a tax levy in excess of the primary limitation, since the two limitations apply independently.

The applicable tax limits may also be reduced in any year by a majority vote of the voters.

The State Commissioner of Revenue may adjust any tax limit "to counterbalance the effects of extraordinary, non-recurring events which occurred during the base year".

The statute further provides that the voters may exclude from the taxes subject to the tax limits and from the calculation of the maximum tax levy (a) the amount required to pay debt service on bonds and notes issued before November 4, 1980, if the exclusion is approved by a majority vote of the voter, and (b) the amount required to pay debt service on any specific subsequent issue for which similar approval is obtained. Even with voter approval, the holders of the obligations for which unlimited taxes may be assessed do not have a statutory priority or security interest in the portion of the tax levy attributable to such obligations. It should be noted that Massachusetts General Laws Chapter 44, Section 20 requires that the taxes excluded from the levy limit to pay debt service on any such bonds and notes be calculated based on the true interest cost of the issue. Accordingly, the Department of Revenue limits the amount of taxes which may be levied in each year to pay debt service on any such bonds and notes to the amount of such debt service, less a pro rata portion of any original issue premium received by the city or town that was not applied to pay costs of issuance.

Voters may also exclude from the Proposition 2½ limits the amount required to pay specified capital outlay expenditures. In addition, the city council of a city, with the approval of the mayor if required, or the board of selectmen of the town council of a town may vote to exclude from Proposition 2½ limits taxes raised in lieu of sewer or water charges to pay debt service on bonds or notes issued by the municipality (or by an independent authority, commission or district) for water sewer purposes, provided that the municipality's sewer or water charges are reduced accordingly.

In addition, the statute limits the annual increase in the total assessments on cities and towns by any county, district, authority, the Commonwealth or any other governmental entity (except regional school districts, the MWRA and certain districts for which special legislation provides otherwise) to the sum of (a) 2½ percent of the prior year's assessments and (b) "any increases in costs, charges or fees for services customarily provided locally or for services subscribed to at local option". Regional water districts, regional sewerage districts and regional veteran districts may exceed these limitations under statutory procedures requiring a two-thirds vote of the district's governing body and either approval of the local appropriating authorities (by two-thirds vote in districts with more than two members or by majority vote in two-member districts) or approval of the registered voters in a local election (in the case of two-member districts). Under the statute any State law to take effect on or after January 1, 1981 imposing a direct service or cost obligation on a city or town will become effective only if accepted or voluntarily funded by the city or town or if State funding is provided. Similarly, State rules or regulations imposing additional costs on a city or town or laws granting or increasing local tax exemptions are to take effect only if adequate State appropriations are provided. These statutory provisions do not apply to costs resulting from judicial decisions.

The following table sets forth the Town's tax levies and levy limits under Proposition 2 ½ for the last five fiscal years:

Levy Limits and Tax Levies

<u>Fiscal Year</u>	<u>Local Assessed Valuation</u>	<u>Primary Levy limit</u>	<u>Secondary Levy Limit</u>	<u>Actual Tax Levy</u>	<u>Excess Secondary Limit</u>
2018	\$6,900,020,290	\$172,500,507	\$81,775,108	\$81,213,239	\$561,869
2017	6,465,789,910	161,644,748	79,739,464	79,205,926	533,538
2016	6,175,354,200	154,383,855	77,641,166	77,130,174	510,992
2015	5,919,438,780	147,985,970	74,772,726	74,170,568	602,158
2014	5,548,991,980	138,724,800	69,883,949	69,695,339	188,610

Source: Office of the Town Assessor/Appraiser.

Pledged Taxes

Taxes on the increased value of certain property in designated development districts may be pledged for the payment of costs of economic development projects within such districts and may therefore be unavailable for other municipal purposes. See “*Tax Increment Financing for Development Districts*” below.

Initiative Petitions

Various proposals have been made in recent years for Legislative amendments to the Massachusetts Constitution to impose limits on state and local taxes. To be adopted, such amendments must be approved by two successive legislatures and then by the voters at the State election.

Education Reform

State legislation known as the Education Reform Act of 1993, as amended, imposes certain minimum expenditure requirements on municipalities with respect to funding for education and related programs, and may affect the level of state aid to be received for education. The requirements are determined on the basis of formulae affected by various measures of wealth and income, enrollments, prior levels of local spending and state aid, and other factors. For fiscal years 2013 through 2017, inclusive the Town met, and for fiscal 2018 expects to meet, the minimum required local contribution.

TOWN FINANCES

Budget and Appropriations Process

The annual appropriations of the Town are ordinarily made at the Annual Town Meeting which takes place in April. Appropriations may also be voted at special meetings. The Town has an Advisory Committee which submits reports and recommendations on proposed expenditures at town meetings.

The school budget is limited to the total amount appropriated by the Town Meeting, but the school committee retains full power to allocate the funds appropriated, subject to the requirements of the Education Reform Act.

The Town Meeting does not vote general operating appropriations for the Hingham Municipal Lighting Plant, but rather authorizes this self-supporting enterprise to make expenditures from receipts. The expenditures are made under the direction of the Hingham Municipal Light Board. (See “Hingham Municipal Light Plant” herein)

State and county assessments, abatements in excess of overlays, principal and interest not otherwise provided for and final judgments are included in the tax levy whether or not included in the budget. Revenues are not required to

be set forth in the budget but estimated non-tax revenues are taken into account by the assessors in fixing the tax levy. (See Property Tax above.)

The following table sets forth the trend in operating budgets for fiscal years 2014 through 2018, as voted at Town Meeting. The budgets reflect neither revenues nor state and county assessments and other mandatory items. Also not reflected are expenditures authorized for non-recurring (generally capital) purposes under special warrant articles or transfers occurring subsequent to the Annual Town Meeting.

Budget Comparison

<u>Appropriations by Department/Category</u>	<u>Fiscal 2014</u>	<u>Fiscal 2015</u>	<u>Fiscal 2016</u>	<u>Fiscal 2017</u>	<u>Fiscal 2018</u>
General Government	\$ 4,189,106	\$ 4,602,782	\$ 4,612,023	\$ 4,672,075	\$ 4,925,955
Public Safety	11,204,706	11,808,252	12,352,124	13,036,246	12,985,787
Health and Human Services	983,391	1,071,043	993,773	967,240	945,353
Public Works	7,609,184	8,083,068	8,260,467	8,406,254	8,940,378
Schools	42,388,962	44,139,396	46,402,200	48,480,876	50,613,514
Culture and Recreation	1,736,091	1,767,332	1,859,335	2,509,070	1,881,417
Unclassified	391,950	510,950	560,950	615,950	646,200
Country Club (Enterprise Fund)	2,213,456	2,181,127	2,231,877	2,103,614	2,192,765
Debt Service	<u>7,368,224</u>	<u>9,500,765</u>	<u>9,661,182</u>	<u>9,562,032</u>	<u>9,208,170</u>
Total	<u>\$78,085,070</u>	<u>\$83,664,715</u>	<u>\$86,933,931</u>	<u>\$90,353,357</u>	<u>\$92,339,539</u>

Source: Adopted Budgets of the Town.

Revenues

Property Taxes: Property taxes are the major source of revenue for the Town. The total amount levied is subject to certain limits prescribed by law, for a description of those limits see “PROPERTY TAXATION – Property Tax Limitation” herein. In fiscal 2017, property taxes totaled \$79,513,601 or 72% of General Fund Revenues.

State Aid: The Town’s state aid entitlement is based upon a number of different formulas, and while said formulas might indicate that a particular amount of state aid is owed, the amount of state aid actually paid is limited to the amount appropriated by the state legislature. The state annually estimates state aid but actual payments may vary from the estimate. In fiscal 2017, distributions from the state to the Town’s general fund totaled \$10,860,000 or 10% percent of General Fund Revenues. The Town anticipates distributions from the state of \$10,785,905 in fiscal 2018.

State legislation known as the Education Reform Act of 1993, as amended, imposes certain minimum expenditure requirements on municipalities with respect to funding for education and related programs, and may affect the level of state aid to be received for education. The requirements are determined on the basis of formulas affected by various measures of wealth and income, enrollments, prior levels of local spending and state aid, and for other factors. The Town has appropriated at least the minimum expenditure requirement imposed by the Act.

Motor Vehicle and Boat Excise: An excise is imposed on the registration of motor vehicles (subject to exemptions) at a rate of \$25 per \$1,000 of valuation and \$10 per \$1000 of valuation for boats. The excise is collected by and for the benefit of the municipality in which the motor vehicle is customarily kept. Valuations are determined by a statutory formula based on manufacture’s list price and year of manufacture. Bills not paid when due bear interest at 12 per cent per annum. Provisions are also made, after notice to the owner, for suspension of the owner operating license or registration by the registrar of motor vehicles for delinquent motor vehicle bills. In fiscal 2017, motor vehicle and boat excise totaled \$5,279,133 or 5.0% of General Fund Revenues.

Sewer Rates and Service: The MWRA and the Town of Hull provide wholesale sewer services to the Town. Sewer users are charged a base \$175.00 per year or an amount based on actual water consumption, whichever is greater. In fiscal year 2017 the sewer use fee was \$ 9.90 per 100 cubic feet of water used. Activities of the Sewer Department

are accounted for in a Special Revenue Fund. Sewer use charges were \$2,836,235 in fiscal year 2017 and expenditures were \$2,795,920.

Electric Rates and Service: The Town operates the Hingham Municipal Lighting Plant which is accounted for in an enterprise fund. The Light Plan is completely self-supporting, including payments for pensions, depreciation and other post employment health benefits. (See “Hingham Municipal Light Plant”). During calendar year, 2017 the Light Plant paid \$ 500,000 to the Town in lieu of real estate taxes, an amount determined by a formula designed to measure the payment the Light Plant would owe to the Town in real and personal property taxes if it were a taxable entity. (See “Hingham Municipal Light Plant”).

Country Club: The Town owns and operates the South Shore Country Club which is accounted for as an enterprise or proprietary fund. The Club is entirely self-supporting. The amount of the debt service payment in 2017 was \$221,104. In fiscal year 2017, Club revenues were \$1,945,229 and Club expenditures were \$1,538,940.

Tax Increment Financing for Development Districts

Under recent legislation, cities and towns are authorized to establish development districts to encourage increased residential, industrial and commercial activity. All or a portion of the taxes on growth in assessed value in such districts may be pledged and used solely to finance economic development projects pursuant to the city or town’s development program for the district. This includes pledging such “tax increments” for the payment of bonds issued to finance such projects. As a result of any such pledge, tax increments raised from new growth properties in development districts are not available for other municipal purposes. Tax increments are taken into account in determining the total taxes assessed for the purpose of calculating the maximum permitted tax levy under Proposition 2½ (see “Tax Limitations” under “PROPERTY TAX” above).

Community Preservation Act

The Massachusetts Community Preservation Act (the “CPA”) permits cities and towns that accept its provisions to levy a surcharge on its real property tax levy, dedicate revenue (other than state or federal funds), and to receive state matching funds for (i) the acquisition, creation, preservation, rehabilitation and restoration of land for recreational use, open space, and affordable housing and (ii) the acquisition, preservation, rehabilitation and restoration of historic resources. The provisions of the CPA must be accepted by the voters of the city or town at an election after such provisions have first been accepted by either a vote of the legislative body of the city or town or an initiative petition signed by 5% of its registered voters.

A city or town may approve a surcharge of up to 3% (but not less than 1% under certain circumstances) and may make an additional commitment of funds by dedicating revenue other than state or federal funds, provided that the total funds collected do not exceed 3% of the real property tax levy, less any exemptions adopted (such as an exemption for low-income individuals and families and for low and moderate-income senior citizens, an exemption for \$100,000 of the value of each taxable parcel of residential real property or \$100,000 of the value of each taxable parcel of class three, commercial property, and class four, industrial property as defined in Chapter 59, Section 2A of the General Laws, and an exemption for commercial and industrial properties in cities and towns with classified tax rates). In the event that the municipality shall no longer dedicate all or part of the additional funds to community preservation, the surcharge on the real property tax levy of not less than 1% shall remain in effect, provided that any such change must be approved pursuant to the same process as acceptance of the CPA. The surcharge is not counted in the total taxes assessed for the purpose of determining the permitted levy amount under Proposition 2½ (see “Tax Limitations” under “PROPERTY TAXATION” above). A city or town may revoke its acceptance of the provisions of the CPA at any time after 5 years from the date of such acceptance and may change the amount of the surcharge or the exemptions to the surcharge at any time, including reducing the surcharge to 1% and committing additional municipal funds as outlined above, provided that any such revocation or change must be approved pursuant to the same process as acceptance of the CPA.

Any city or town that accepts the provisions of the CPA will receive annual state matching grants to supplement amounts raised by its surcharge and dedication of revenue. The state matching funds are raised from certain recording and filing fees of the registers of deeds. Those amounts are deposited into a state trust fund and are distributed to cities and towns

that have accepted the provisions of the CPA, which distributions are not subject to annual appropriation by the state legislature. The amount distributed to each city and town is based on a statutory formula and the total state distribution made to any city or town may not exceed 100% of the amount raised locally by the surcharge on the real property tax levy.

The amounts raised by the surcharge on taxes, the dedication of revenue and received in state matching funds are required to be deposited in a dedicated community preservation fund. Each city or town that accepts the provisions of the CPA is required to establish a community preservation committee to study the community preservation needs of the community and to make recommendations to the legislative body of the city or town regarding the community preservation projects that should be funded from the community preservation fund. Upon the recommendations of the committee, the legislative body of the city or town may appropriate amounts from the fund for permitted community preservation purposes or may reserve amounts for spending in future fiscal years, provided that at least 10% of the total annual revenues to the fund must be spent or set aside for open space purposes, 10% for historic resource purposes and 10% for affordable housing purposes.

The CPA authorizes cities and towns that accept its provisions to issue bonds and notes in anticipation of the receipt of surcharge and dedicated revenues to finance community preservation projects approved under the provisions of the CPA. Bonds and notes issued under the CPA are general obligations of the city or town and are payable from amounts on deposit in the community preservation fund. In the event that a city or town revokes its acceptance of the provisions of the CPA, the surcharge shall remain in effect until all contractual obligations incurred by the city or town prior to such revocation, including the payment of bonds or notes issued under the CPA, have been fully discharged.

The Town accepted the Community Preservation Act in 2001 to be funded by a surcharge of 1.5% on annual real estate taxes and by annual distributions made by the state from a trust fund created by the Act. An exemption for \$100,000 of the assessed value of each taxable parcel is applied.

<u>Fiscal Year</u>	<u>CPC Surcharge</u>	<u>State Matching Funds</u>
2018	\$1,063,497	\$229,031
2017	1,028,359	201 390
2016	876,032	277,441
2015	933,871	273,191
2014	865,832	434,996

The balance in the Community Preservation Fund as of June 30, 2017 was \$1,594,366

State Distributions

In addition to grants for specified capital purposes (some of which are payable over the life of the bonds issued for the projects), the Commonwealth provides financial assistance to cities and towns for current purposes. Payments to cities and towns are derived primarily from a percentage of the State’s personal income, sales and use, and corporate excise tax receipts, together with the net receipts from the State Lottery. A municipality’s state aid entitlement is based on a number of different formulas, of which the “schools” and “lottery” formulas are the most important. Both of the major formulas tend to provide more state aid to poorer communities. The formulas for determining a municipality’s state aid entitlement are subject to amendment by the state legislature and, while a formula might indicate that a particular amount of state aid is owed, the amount of state aid actually paid is limited to the amount appropriated by the state legislature. The state annually estimates state aid, but the actual state aid payments may vary from the estimate.

In the fall of 1986, both the State Legislature (by statute, repealed as of July 1, 1999) and the voters (by initiative petition) placed limits on the growth of state tax revenues. Although somewhat different in detail, each measure essentially limited the annual growth in state tax revenues to an average rate of growth in wages and salaries in the Commonwealth over the three previous calendar years. If not amended, the remaining law could restrict the amount of state revenues available for state aid to local communities.

Legislation was enacted in 1991 to help municipalities compensate for additional local aid reductions by the

Commonwealth for fiscal year 1992. Under that law, municipalities were allowed to defer budgeting for teacher’s summer compensation payable by the end of the fiscal years 1992 and 1993. Municipalities that chose to defer such amounts are required to amortize the resulting budget deficiency by raising at least one fifteenth of the deferred amount in each of the fiscal years 1997 through 2011, or in accordance with a more rapid amortization schedule.

The following table sets forth the amount of state aid received by the Town for fiscal years 2013 through 2017:

<u>Fiscal Year</u>	<u>State Distribution</u>
2017	\$10,523,489
2016	10,219,211
2015	10,601,002
2014	9,909,304
2013	9,695,123

State School Building Assistance Program

Under its school building assistance program, the Commonwealth of Massachusetts provides grants to cities, towns and regional school districts for school construction projects. Until July 26, 2004, the State Board of Education was responsible for approving grants for school projects and otherwise administering the program. Grant amounts ranged from 50% to 90% of approved project costs. Municipalities generally issued bonds to finance the entire project cost, and the Commonwealth disbursed the grants in equal annual installments over the term of the related bonds.

Pursuant to legislation which became effective on July 26, 2004, the state legislature created the Massachusetts School Building Authority (the “Authority”) to finance and administer the school building assistance program. The Authority has assumed all powers and obligations of the Board of Education with respect to the program. In addition to certain other amounts, the legislation dedicates a portion of Commonwealth sales tax receipts to the Authority to finance the program.

Projects previously approved for grants by the State Board of Education are entitled to receive grant payments from the Authority based on the approved project cost and reimbursement rate applicable under the prior law. The Authority has paid and is expected to continue to pay the remaining amounts of the grants for such projects either in annual installments to reimburse debt service on bonds issued by the municipalities to finance such projects, or as lump sum payments to contribute to the defeasance of such bonds.

Projects on the priority waiting list as of July 1, 2004 are also entitled to receive grant payments from the Authority based on the eligible project costs and reimbursement rates applicable under the prior law. With limited exceptions, the Authority is required to fund the grants for such projects in the order in which they appear on the waiting list. Grants for any such projects that have been completed or substantially completed have been paid and are expected to continue to be paid by the Authority in lump sum payments, thereby eliminating the need for the Authority to reimburse interest expenses that would otherwise be incurred by the municipalities to permanently finance the Authority’s share of such project costs. Interest on debt issued by municipalities prior to July 1, 2004 to finance such project costs, and interest on temporary debt until receipt of the grant, is included in the approved costs of such projects. Grants for any such projects that have not yet commenced or that are underway have been and are expected to continue to be paid by the Authority as project costs are incurred by the municipality pursuant to a project funding agreement between the Authority and the municipality, eliminating the need for the municipality to borrow even on a temporary basis to finance the Authority’s share of the project costs in most cases.

The range of reimbursement rates for new project grant applications submitted to the Authority on or after July 1, 2007 has been reduced to between 40% and 80% of approved project costs. The Authority promulgated new regulations with respect to the application and approval process for projects submitted after July 1, 2007. The Authority expects to pay grants for such projects as project costs are incurred pursuant to project funding agreements between the Authority and the municipalities. None of the interest expense incurred on debt issued by municipalities to finance their portion of the costs of new projects will be included in the approved project costs eligible for reimbursement.

Investments

Investments of funds of cities and towns, except for trust funds, are generally restricted by Massachusetts General Laws Chapter 44, §55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposits of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than three years, in repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities, in participation units in the Massachusetts Municipal Depository Trust (“MMDT”), or in shares in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

MMDT is an investment pool created by the Commonwealth. The State Treasurer is the sole trustee, and the funds are managed under contract by an investment firm under the supervision of the State Treasurer’s office. According to the State Treasurer the Trust’s investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U.S. Government obligations and highly-rated corporate securities with maturities of one year or less.

Trust funds, unless otherwise provided by the donor, may be invested in accordance with §54 of Chapter 44, which permits a broader range of investments than §55, including any bonds or notes that are legal investments for savings banks in the Commonwealth. The restrictions imposed by §§54 and 55 do not apply to city and town retirement systems.

Annual Audits

The Town’s fiscal year ended June 30, 2017 accounts were independently audited by the firm of Powers & Sullivan, LLC Certified Public. The Town’s audited financial statements for the fiscal year ended June 30, 2017 are set forth in Appendix C. Copies of prior audits are available upon request from the Town. The Town’s fiscal year ended June 30, 2017 audited financial statement and certain prior audits are also available on the Town’s website:

<https://www.hingham-ma.gov/DocumentCenter/View/5546>

Financial Statements

A summary of the Town’s Combined Balance Sheets for fiscal years 2013-2017 are attached hereto as Appendix B. A summary Comparative Statement of Revenues, Expenditures and Changes in Fund Balance for fiscal years 2013-2017 is also attached hereto in Appendix B. This information has been extracted from the Town’s prior annual audits and has not itself been audited.

Undesignated Fund Balance and Free Cash

Under Massachusetts law an amount known as “free cash” is certified at of the beginning of each fiscal year by the State Bureau of Accounts and this, together with certain subsequent tax receipts, is used as the basis for subsequent appropriations from available funds, which are not required to be included in the annual tax levy. Subject to certain adjustments, free cash is surplus revenue less uncollected and overdue property taxes from prior years.

The following table sets forth the certified free cash for the most recent fiscal years:

<u>Free Cash</u>	
<u>July 1,</u>	<u>Free Cash</u>
2017	\$19,293,902
2016	17,641,268
2015	18,172,013
2014	16,753,238
2013	12,959,422

Source: Commonwealth of Massachusetts - Department of Revenue.

HINGHAM MUNICIPAL LIGHT PLANT

The Hingham Municipal Light Plant (“Light Plant”) has provided continuous electric service to the Town since 1894. It is authorized to operate under provisions of Chapter 164 of the Massachusetts General Laws and certain rules and regulations set forth by the Massachusetts Department of Telecommunications and Energy. An independent elected Board consisting of three Hingham citizens has the responsibility and authority to maintain and operate the Light Plant. The Board appoints a manager who, under the direct control of the Board, and subject to Massachusetts General Laws, Chapter 164, has full charge of the operation and management of the Light Plant. Bonds issued for electric system improvements are to be paid from operating revenues of the Light Plant.

The Light Plant is completely self-supporting, including accounts for depreciation and pensions. According to Chapter 164, Section 58 of the Massachusetts General Laws, electric rates charged by the Light Plant must be set such that the resulting net earnings, less certain other provisions, do not exceed 8% of the cost of the Light Plant. Excess revenues are required to be refunded to customers.

The Light Plant has transmission and distribution facilities only. The following table sets forth the Light Plant’s revenues, expenses, net income, and changes in net assets for calendar years 2012, 2013, 2014, 2015, and 2016 and are reported according to the provisions of Governmental Accounting Standards Board Statements No. 34. Copies of the Light Plant’s most recent audit are available from the town accountant’s office or currently on the light company’s website: <http://www.hmlp.com/AboutUs/FinancialReport2016.pdf>

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Town of Hingham, Massachusetts
Municipal Light Plant
Comparative Statement of Net Assets –Operating Fund
as of Years Ended December 31, 2012 through 2016

	<u>12/31/2012</u>	<u>12/31/2013</u>	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>12/31/2016</u>
Current Assets:					
Funds on Deposit with Town Treasurer					
Operating Cash	\$ 800	\$ 192,383	\$ 856,331	\$2,645,566	\$5,107,374
Accounts Receivable, Net	2,394,533	2,177,685	2,381,881	2,223,626	2,177,299
Other Receivable	80,619	76,463	113,603	94,149	107,848
Materials and Supplies	237,802	402,103	174,648	284,439	126,374
Deferred Debits	925,952	802,962	774,561	882,316	810,104
Prepaid Power Contracts	787,791	180,926	873,829	1,015,691	661,452
Purchased Power Working Capital	<u>798,715</u>	<u>1,096,413</u>	<u>1,039,789</u>	<u>1,027,910</u>	<u>1,036,671</u>
Total Current Assets	<u>5,226,212</u>	<u>4,928,935</u>	<u>6,214,642</u>	<u>8,173,697</u>	<u>10,027,122</u>
Noncurrent Assets:					
Funds on Deposit with Town Treasurer					
Depreciation Fund	8,175,888	10,129,197	12,651,262	7,389,478	6,959,061
Customer Deposits	1,491,069	1,595,453	1,625,389	1,646,306	1,704,041
Insurance Reserve Fund	253,687	253,687	253,687	253,687	253,687
Rate Stabilization Fund	2,476,562	3,486,930	4,098,355	4,711,606	5,326,707
Investments	181,965	176,875	176,875	166,875	331,795
Utility Plant Assets, Net	<u>23,001,009</u>	<u>22,964,320</u>	<u>22,406,335</u>	<u>28,447,863</u>	<u>30,286,676</u>
Total Noncurrent Assets	<u>35,580,270</u>	<u>38,606,462</u>	<u>41,211,903</u>	<u>42,615,815</u>	<u>44,861,967</u>
Deferred Outflows of Resources					
Deferred Outflows of Resources Related to Pensions			246,899	312,771	1,112,428
Total Assets and Deferred Outflows of Resources	<u>\$ 40,806,482</u>	<u>\$ 43,535,397</u>	<u>\$ 47,426,545</u>	<u>\$51,102,283</u>	<u>\$56,001,517</u>
Current Liabilities:					
Accounts Payable	1,160,312	1,568,058	1,935,280	1,498,211	1,578,268
Accounts Payable-Related Party	827,175	747,888	791,757	504,080	494,999
Accrued Expenses	168,294	172,328	100,729	103,023	107,055
Customer Advances for Construction	2,235,326	825,793	1,021,313	891,564	251,162
Sales Tax Payable	<u>49,429</u>	<u>49,241</u>	<u>50,764</u>	<u>47,840</u>	<u>48,003</u>
Total Current Liabilities:	<u>4,440,536</u>	<u>3,363,308</u>	<u>3,899,843</u>	<u>3,044,718</u>	<u>2,479,487</u>
Noncurrent Liabilities:					
Customer Deposits	1,492,734	1,587,578	1,619,411	1,646,306	1,704,251
Net Pension Liability			2,283,906	2,349,591	3,309,805
Net Other Post-Employment Benefits Obligation	121,522	96,576	66,153	30,100	23,612
Rate Stabilization Reserve	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Noncurrent Liabilities:	<u>1,614,256</u>	<u>1,684,154</u>	<u>3,969,470</u>	<u>4,025,997</u>	<u>5,037,668</u>
Total Liabilities	<u>6,054,792</u>	<u>5,047,462</u>	<u>7,601,733</u>	<u>7,070,715</u>	<u>7,517,155</u>
Deferred Inflows of Resources					
Contribution in Aid of Construction	0	214,157	240,994	361,921	682,819
Inflows Related to Pensions	0	0	0	0	99,333
Rate Stabilization Reserve	<u>2,876,562</u>	<u>3,486,930</u>	<u>4,098,355</u>	<u>4,711,606</u>	<u>5,326,707</u>
Total Deferred Inflows of Resources	<u>2,876,562</u>	<u>3,701,087</u>	<u>4,339,349</u>	<u>5,073,527</u>	<u>6,108,859</u>
Net Assets/Position:					
Invested in Capital Assets, Net of Related Debt	23,001,099	22,964,320	22,406,335	28,447,863	30,286,676
Net Position Restricted for Depreciation	8,175,888	10,129,197	12,651,262	7,389,478	6,959,061
Unrestricted	<u>698,141</u>	<u>1,693,331</u>	<u>2,444,192</u>	<u>3,120,700</u>	<u>5,129,766</u>
Total Net Assets/Position	<u>31,875,128</u>	<u>34,786,848</u>	<u>37,501,789</u>	<u>38,958,041</u>	<u>42,375,503</u>
Total Liabilities and Net Assets	<u>\$ 40,806,482</u>	<u>\$ 43,535,397</u>	<u>\$ 47,426,545</u>	<u>\$ 51,102,283</u>	<u>\$ 56,001,517</u>

Source: Hingham Municipal Light Plant. Table itself not audited.

Town of Hingham, Massachusetts
Municipal Light Plant
Comparative Statement of Revenues, Expenses and Changes in Net Assets –Operating Fund
as of Years Ended December 31, 2012 through 2016

	<u>12/31/2012</u>	<u>12/31/2013</u>	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>12/31/2016</u>
Operating Revenues:					
Sales of Electricity	\$ 28,469,206	\$ 29,127,010	\$ 31,288,843	\$ 31,137,669	\$ 29,904,162
Other Operating Revenues	<u>145,820</u>	<u>346,277</u>	<u>180,023</u>	<u>221,966</u>	<u>207,892</u>
Total Operating Revenues	<u>28,615,026</u>	<u>29,473,287</u>	<u>31,468,866</u>	<u>31,359,635</u>	<u>30,112,054</u>
Operating Expenses					
Operations and Maintenance	24,511,490	25,907,684	25,588,559	25,185,679	24,744,352
Depreciation	<u>1,876,967</u>	<u>1,916,120</u>	<u>2,461,445</u>	<u>2,504,554</u>	<u>1,523,629</u>
Total Operating Expenses	<u>26,388,457</u>	<u>27,823,804</u>	<u>28,050,004</u>	<u>27,690,233</u>	<u>26,267,981</u>
Operating Income	<u>2,226,569</u>	<u>1,649,483</u>	<u>3,418,862</u>	<u>3,669,402</u>	<u>3,884,073</u>
Non-operating Revenues (Expenses)					
Investment Income	41,470	54,739	64,281	61,845	71,988
Interest Expense	(1,841)	(2,442)	(1,405)	(1,488)	(3,600)
Disaster Recovery Revenue	36,000	0	0	0	0
Disaster Recovery Costs	<u>(48,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Non-operating Revenues (Expenses)	<u>27,629</u>	<u>52,297</u>	<u>62,876</u>	<u>60,357</u>	<u>68,388</u>
Income Before Contributions and Transfers	2,254,198	1,701,780	3,481,738	3,729,759	3,912,461
Net Assets –January 1	30,037,008	31,875,128	32,749,841	35,732,362	38,958,041
Transfers Out – OPEB Trust Fund ⁽¹⁾	0	0	0	0	0
Transfers In-Restricted for Capital Projects	117,418	1,710,875	0	0	0
Transfers Out-Payments in Lieu of Taxes	<u>(533,496)</u>	<u>(500,935)</u>	<u>(499,217)</u>	<u>(504,080)</u>	<u>(494,999)</u>
Net Assets –December 31	<u>\$ 31,875,128</u>	<u>\$ 34,786,848</u>	<u>\$ 35,732,362</u>	<u>\$ 38,958,041</u>	<u>\$ 42,375,503</u>

(1) See “Other Post-Employment Benefits” below.
Source: Hingham Municipal Light Plant. Table itself not audited.

INDEBTEDNESS

Authorization of General Obligation Bonds and Notes

Serial bonds and notes are authorized by a two-thirds vote of the town meeting. Provision is made in some cities and towns for a referendum on the borrowing authorization if there is a timely filing of a petition bearing the requisite number of signatures. Refunding bonds and notes are authorized by the selectmen. Borrowings for some purposes require State administrative approval.

When serial bonds or notes have been authorized, bond anticipation notes may be issued by the officers authorized to issue the serial bonds or notes. Temporary debt in anticipation of the revenue of the fiscal year in which the debt is incurred or in anticipation of authorized federal and state aid generally may be incurred by the treasurer with the approval of the selectmen, mayor or city manager as the case may be.

Debt Limits

General Debt Limit. The General Debt Limit of a city or town consists of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit is 5 percent of the valuation of taxable property as last equalized by the State Department of Revenue. A city or town can authorize debt up to this amount without state approval. It can authorize debt up to twice this amount (the Double Debt Limit) with the approval of the state Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts.

There are many categories of general obligation debt which are exempt from and do not count against the General Debt Limit. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes;

emergency loans; loans exempted by special laws; certain school bonds, sewer bonds, bonds for water, gas, electric and telecommunication systems, solid waste disposal facility bonds and economic development bonds supported by tax increment financing; and subject to special debt limits, bonds for housing, urban renewal and economic development (subject to various debt limits). Revenue bonds are not subject to these debt limits. The General Debt Limit and the special debt limit for water bonds apply at the time the debt is authorized. The other special debt limits generally apply at the time the debt is incurred.

Revenue Anticipation Notes. The amount borrowed in each fiscal year by the issue of revenue anticipation notes is limited to the tax levy of the prior fiscal year, together with the net receipts in the prior fiscal year from the motor vehicle excise and certain payments made by the Commonwealth in lieu of taxes. The fiscal year ends on June 30. Notes may mature in the following fiscal year, and notes may be refunded into the following fiscal year to the extent of the uncollected, unabated current tax levy and certain other items, including revenue deficits, overlay deficits, final judgments and lawful unappropriated expenditures, which are to be added to the next tax levy, but excluding deficits arising from a failure to collect taxes of earlier years. (See “*Taxation to Meet Deficits*” under “PROPERTY TAX” below.) In any event, the period from an original borrowing to its final maturity cannot exceed one year.

Types of Obligations

General Obligations. Massachusetts cities and towns are authorized to issue general obligation indebtedness of these types:

Serial Bonds and Notes. These are generally required to be payable in annual principal amounts beginning no later than the end of the next fiscal year commencing after the date of issue and ending within the terms permitted by law. A level debt service schedule, or a schedule that provides for a more rapid amortization of principal than level debt service, is permitted. The principal amounts of certain economic development bonds supported by tax increment financing may be payable in equal, diminishing or increasing amounts beginning within 5 years after the date of issue. The maximum terms of serial bonds and notes vary from one year to 40 years, depending on the purpose of the issue. The maximum terms permitted are set forth in the statutes. In addition, for many projects, the maximum term may be determined in accordance with useful life guidelines promulgated by the State Department of Revenue (“DOR”). Serial bonds and notes may be issued for the purposes set forth in the statutes. IN addition, serial bonds and notes may be issued for any other public work improvement or asset not specifically listed in the statues that has a useful life of at least 5 years. Bonds or notes may be made callable and redeemed prior to their maturity, and a redemption premium may be paid. Refunding bonds or notes may be issued subject to the maximum applicable term measured from the date of the original bonds or notes and must produce present value savings over the debt service of the refunded bonds. Generally, the first required annual payment of principal of the refunding bonds cannot be later than the first principal payment of any of the bonds or notes being refunded thereby, however, principal payments made before the first principal payment of any of the bonds or notes being refunded thereby may be in any amount.

Serial bonds may be issued as “qualified bonds” with the approval of the state Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts, subject to such conditions and limitations (including restrictions on future indebtedness) as may be required by the Board. Qualified bonds may mature not less than 10 nor more than 30 years from their dates and are not subject to the amortization requirements described above. The State Treasurer is required to pay the debt service on qualified bonds and thereafter to withhold the amount of the debt service paid by the State from state aid or other state payments; administrative costs and any loss of interest income to the State are to be assessed upon the city or town.

Tax Credit Bonds or Notes. Subject to certain provisions and conditions, the officers authorized to issue bonds or notes may designate any duly authorized issue of bonds or notes as “tax credit bonds” to the extent such bonds and notes are otherwise permitted to be issued with federal tax credits or other similar subsidies for all or a portion of the borrowing costs. Tax credit bonds may be made payable without regard to the annual installments required by any other law, and a sinking fund may be established for the payment of such bonds. Any investment that is part or such a sinking fund may mature not later than the date fixed for payment or redemption of the applicable bonds.

Bond Anticipation Notes. These generally must mature within two years of their original dates of issuance but may be refunded from time to time for a period not to exceed ten years from their original dates of issuance, provided that for each year that the notes are refunded beyond the second year they must be paid in part from revenue funds in an amount

at least equal to the minimum annual payment that would have been required if the bonds had been issued at the end of the second year. For certain school projects, however, notes may be refunded from time to time for a period not to exceed seven years without having to pay any portion of the principal of the notes from revenue funds. The maximum term of bonds issued to refund bond anticipation notes is measured (except for certain school projects) from the date of the original issue of the notes.

Revenue Anticipation Notes. These are issued to meet current expenses in anticipation of taxes and other revenues. They must mature within one year but, if payable in less than one year, may be refunded from time to time up to one year from the original date of issue.

Grant Anticipation Notes. These are issued for temporary financing in anticipation of federal grants and state and county reimbursements. Generally, they must mature within two years but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

Revenue Bonds. Cities and towns may issue revenue bonds for solid waste disposal facilities, for projects financed under the Commonwealth’s Water Pollution Abatement or Drinking Water Revolving Loan Programs and for certain economic development projects supported by tax increment financing. In addition, cities and towns having electric departments may issue electric revenue bonds, and notes in anticipation of such bonds, subject to the approval of the State Department of Telecommunications and Energy. This article is not intended to summarize laws relating to revenue bonds or to notes issued in anticipation of them. Industrial revenue bonds are also outside the scope of this article.

Long-Term Debt

The following table summarizes the Town’s long-term debt outstanding as of April 26, 2018.

Direct Debt Summary

General Obligation Bonds:	
Sewer ⁽¹⁾	\$ 1,952,860
Golf Course ⁽²⁾	262,662
Civic Center (Town Hall)	180,249
School ⁽³⁾	50,310,536
Library	360,000
General	6,752,693
Lincoln School Apartments	<u>3,416,842</u>
Total Direct Debt	<u>\$63,235,842</u>

(1) Only a portion of this is subject to the debt limit. Includes loans from the Massachusetts Water Pollution Abatement Trust.

(2) Subject to the debt limit. Paid from Golf Revenue.

(3) Not subject to the debt limit. Principal and interest on a portion of the school debt will be reimbursed by the State at the rate of 61% over the life of outstanding school bonds. Grant payments to be paid total \$4,902,567 and are subject to annual appropriation by the State legislature. The debt service on the school bonds outstanding has been excluded from the limits of Proposition 2 ½.

Short-Term Debt

The Town currently has the following bond anticipation notes outstanding, all of which will either be paid from available funds or refinanced with proceeds from the sale of the Notes:

	Title	Issue Date	Maturity Date
\$10,903,243	General Obligation Bond Anticipation Notes, 2017	May 17, 2017	May 17, 2018

Debt Ratios

The following table sets forth the ratio of debt to assessed valuation and per capita debt ratios at the end of the five most recent fiscal years. The table considers the principal amount of general obligation bonds of the Town only. The table does not deduct anticipated state grant payments applicable to the principal amount of outstanding bonds or debt that may be supported in whole, or part, by non-tax revenues. (See “Direct Debt Summary”.)

<u>Debt Ratios</u>					
<u>June 30</u>	<u>Population</u>	General Obligation Bonds Outstanding (000's)	Assessed Valuation (000's)	Per Capita Debt	Debt as a % of Assessed Valuation
2018	23,120	\$63,235	\$6,900,000	\$2,735	0.92%
2017	22,740	70,460	6,465,789	3,098	1.09
2016	22,740	78,576	6,175,354	3,455	1.27
2015	22,404	83,688	5,919,438	3,735	1.41
2014	22,259	49,679	5,548,991	2,232	0.89

Debt Service Requirements

The following table sets forth the required principal and interest payments on outstanding general obligation bonds of the Town, exclusive of economically defeased obligations.

<u>Long-Term Debt Service Requirements⁽¹⁾</u>				
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Rate of Original Principal Retirement %</u>
2018	\$ 2,045,000	\$ 704,963	\$ 2,749,963	3.47%
2019	6,891,142	2,385,949	9,277,091	15.18
2020	6,165,922	2,062,760	8,228,682	25.56
2021	6,131,345	1,775,262	7,906,607	35.54
2022	4,156,776	1,518,706	5,675,482	42.70
2023	4,187,216	1,310,766	5,497,982	49.64
2024	4,207,664	1,101,567	5,309,231	56.34
2025	4,093,122	911,434	5,004,556	62.66
2026	4,093,589	759,192	4,852,781	68.78
2027	4,054,066	640,416	4,694,482	74.71
2028	3,655,000	525,325	4,180,325	79.98
2029	1,685,000	450,925	2,135,925	82.68
2030	1,490,000	404,275	1,894,275	85.07
2031	1,490,000	357,713	1,847,713	87.40
2032	1,490,000	309,288	1,799,288	89.67
2033	1,480,000	259,000	1,739,000	91.87
2034	1,480,000	209,050	1,689,050	94.00
2035	1,480,000	157,250	1,637,250	96.06
2036	1,480,000	105,450	1,585,450	98.06
2037	1,480,000	53,650	1,533,650	100.00
	<u>\$63,235,842</u>	<u>\$16,002,940</u>	<u>\$79,238,782</u>	

(1) As of April 15, 2018
Source: Town Treasurer

Principal Payments by Purpose

The following table sets forth the principal payments by purpose for the Town's outstanding bonded indebtedness.

Projected Principal Payments by Purpose (As of April 15, 2018)

	<u>Sewer⁽¹⁾</u>	<u>Lincoln School</u> <u>Apartments</u>	<u>Civic Center</u>	<u>School⁽²⁾</u>	<u>Golf</u> <u>Course⁽³⁾</u>	<u>Library</u>	<u>General⁽⁴⁾</u>	<u>Total</u> <u>Principal</u>
2018	\$ 27,272	\$ 0	\$ 0	\$ 1,827,653	\$ 47,854	\$ 0	\$ 142,221	\$ 2,045,000
2019	389,762	355,901	120,249	4,945,386	214,808	120,000	745,036	6,891,142
2020	164,869	339,313	30,000	4,789,630	0	120,000	722,110	6,165,922
2021	165,268	338,422	30,000	4,756,639	0	120,000	721,016	6,131,345
2022	140,359	337,532	0	2,958,649	0	0	720,236	4,156,776
2023	147,325	341,094	0	2,970,608	0	0	728,189	4,187,216
2024	152,615	343,766	0	2,979,578	0	0	731,705	4,207,664
2025	157,898	345,547	0	2,988,892	0	0	600,785	4,093,122
2026	158,365	345,547	0	2,988,892	0	0	600,785	4,093,589
2027	161,525	338,422	0	2,964,972	0	0	589,147	4,054,066
2028	36,738	331,298	0	2,871,053	0	0	415,911	3,655,000
2029	32,688	0	0	1,643,424	0	0	8,888	1,685,000
2030	27,272	0	0	1,453,840	0	0	8,888	1,490,000
2031	27,272	0	0	1,453,840	0	0	8,888	1,490,000
2032	27,272	0	0	1,453,840	0	0	8,888	1,490,000
2033	27,272	0	0	1,452,728	0	0	0	1,480,000
2034	27,272	0	0	1,452,728	0	0	0	1,480,000
2035	27,272	0	0	1,452,728	0	0	0	1,480,000
2036	27,272	0	0	1,452,728	0	0	0	1,480,000
2037	27,272	0	0	1,452,728	0	0	0	1,480,000
Total	\$1,952,860	\$3,416,842	\$180,249	\$50,310,536	\$262,662	\$360,000	\$6,752,693	\$63,235,842

- (1) The Town anticipates that \$1,752,652 of the total sewer debt service will be paid from departmental revenues.
(2) School debt will be offset by MSBA grant payments totaling \$4,902,567 during Fiscal Years 2019 through 2021.
(3) Debt service to be paid from County Club Enterprise Fund revenues.
(4) Fire Station, Dam, Wharf, DPW Facility and Hersey St. Land Acquisition.

Source: Town Treasurer

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Overlapping Debt

The Town of Hingham is located in Plymouth County and is a member of the Massachusetts Water Resources Authority and the Massachusetts Bay Transportation Authority.

The following table sets forth the outstanding bonded debt, exclusive of temporary loans in anticipation of bonds or current revenue, of each of the overlapping entities, the Town’s estimated gross share of such debt, and the fiscal 2015 assessment payable by the Town.

<u>Overlapping Debt</u>			
<u>Overlapping Entity</u>	<u>Outstanding Debt</u>	<u>Hingham’s Estimated Share⁽¹⁾</u>	<u>Fiscal 2017 Assessment⁽²⁾</u>
Plymouth County ⁽³⁾	\$ 0	n/a	\$ 132,200
Massachusetts Water Resource Authority ⁽⁴⁾	<u>3,553,343,000</u>	<u>0.0506%</u>	<u>1,798,028</u>
Total Overlapping Debt:	<u>\$3,553,343,000</u>		<u>\$1,930,228</u>

- (1) Estimated share based upon operating expenses.
- (2) Estimated dollar assessment based upon total net operating expenses, inclusive, where applicable, of debt service.
- (3) Source: County Treasurer. County expenses, including debt service, are assessed upon the towns within the County in proportion to their taxable valuation.
- (4) Source: Massachusetts Water Resources Authority (“MWRA”). Sewer debt only as of June 30, 2017. The MWRA provides water and sewer services to its member towns. Hingham is not a member of the MWRA water division as Hingham receives water from a private company.

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Authorized and Unissued Debt

The following table sets forth the authorized and unissued debt of the Town:

Authorized Unissued Debt (As of April 26, 2018)

Authorization Date	Amount Authorized	Purpose	Amount Issued to Date	Amount Authorized but Unissued
4/27/98	\$ 750,000	Sewer Construction	\$ 710,000	\$ 40,000
4/22/02	980,000	Sewer Repair- Route 3A	180,000	800,000
4/29/03	2,300,000	Sewer Construction – Weir River	1,848,113	451,887
4/26/04	75,000	Sewer Construction	57,158	17,842
4/23/07	255,000	School Buildings	236,000	19,000
10/27/08	7,000,000	Lincoln School Apartments ^{(2) (4)}	6,700,000	300,000
4/27/09	150,000	Sewer Construction – Thaxter/Kents	115,000	35,000
4/25/11	600,000	Middle School Feasibility Study ⁽⁴⁾	233,333	59,678
4/25/11	190,000	Wastewater Treatment Facility – Engineering	0	190,000
10/24/11	935,000	High School Fields Improvement Project	812,307	122,693
10/24/11	60,910,920	School Buildings / New Middle School ^{(1) (4)}	32,000,000	28,910,920
4/22/13	1,100,000	Hingham Heritage Museum & Visitor Center ^{(2) (3) (4)}	0	714,957
4/22/13	3,750,000	Land Acquisition – Recreation Park Drive ^{(2) (4)}	0	3,750,000
4/27/15	500,000	Design & Engineering / North Fire Station	0	500,000
4/25/16	295,903	Design & Engineering / North Fire Station	0	295,903
4/25/16	2,242,000	Road Reconstruction ⁽²⁾	0	2,242,000
4/25/16	4,500,000	Land Acquisition-Lenhar Parcels ^{(2) (3)}	0	4,500,000
4/24/2017	283,756	Golf Carts & Utility Vehicles ⁽²⁾	0	283,756
4/24/2017	200,000	Sewer Improvements - I&I	0	200,000
4/24/2017	353,000	Sewer Improvements - Mains and Piping	0	353,000
4/24/2017	590,000	Road reconstruction/Seawalls	0	590,000
4/24/2017	750,000	Feasibility Study/Foster School	0	750,000
4/23/2018	500,000	Fire/ Aerial Apparatus	0	500,000
4/23/2018	<u>200,000</u>	Wharf Repair and Restoration	<u>0</u>	<u>200,000</u>
Total	<u>\$89,410,579</u>		<u>\$42,891,911</u>	<u>\$46,518,668</u>

(1) As of the date of this Official Statement, the Town has received \$23,553,891 in grants from the Massachusetts School Building Authority. The Town will not issue debt for the grant money received pursuant to this authorization.

(2) To be financed in part by the Notes. See “Authorization and Purpose of the Notes”.

(3) Debt service to be paid with Community Preservation Funds.

(4) Pay downs on short term note renewal per MGL CH 44 sec 17 totaling \$1,720,960 have been made.

Source: Treasurer

Contractual Obligations

Municipal contracts are generally limited to currently available appropriations. A city or town generally has authority to enter into contracts for the exercise of any of its corporate powers for any period of time deemed to serve its best interest, but generally only when funds are available for the first fiscal year; obligations for succeeding fiscal years generally are expressly subject to availability and appropriation of funds. Specific authority remains in relatively few cases for long-term contractual obligations that are not subject to annual appropriation, including contracts for refuse disposal and sewage treatment and disposal. Municipalities may also enter into long-term contracts in aid of housing and renewal projects. There is implied authority to make other long-term contracts

required to carry out authorized municipal functions, such as contracts to purchase water from private water companies. Municipal contracts relating to solid waste disposal facilities may contain provisions requiring the delivery of minimum amounts of waste and payments based thereon and requiring payments in certain circumstances without regard to the operational status of the facilities.

Municipal electric departments have statutory power to enter into long-term contracts for joint ownership and operation of generating and transmission facilities and for the purchase or sale of capacity, including contracts requiring payments without regard to the operational status of the facilities.

Pursuant to the Home Rule Amendment to the Massachusetts Constitution, cities and towns may also be empowered to make other contracts and leases.

The Town of Hingham has a limited number of contractual obligations, other than those of the Light Plant as described herein, all of which are subject to annual appropriation.

RETIREMENT PLAN

The Massachusetts General Laws provide for the establishment of contributory retirement systems for state employees, for teachers and for county, city and town employees other than teachers. Teachers are assigned to a separate statewide teachers' system and not to the city and town systems. For all employees other than teachers, this law is subject to acceptance in each city and town. Substantially all employees of an accepting city or town are covered. If a town has a population of less than 10,000 when it accepts the statute, its non-teacher employees participate through the county system and its share of the county cost is proportionate to the aggregate annual rate of regular compensation of its covered employees. In addition to the contributory systems, cities and towns provide non-contributory pensions to a limited number of employees, primarily persons who entered service prior to July 1, 1937 and their dependents. The Public Employee Retirement Administration Commission ("PERAC") provides oversight and guidance for and regulates all state and local retirement systems.

The obligations of a city or town, whether direct or through a county system, are contractual legal obligations and are required to be included in the annual tax levy. If a city or town, or the county system of which it is a member, has not established a retirement system funding schedule as described below, the city or town is required to provide for the payment of the portion of its current pension obligations which is not otherwise covered by employee contributions and investment income. "Excess earnings," or earnings on individual employees' retirement accounts in excess of a predetermined rate, are required to be set aside in a pension reserve fund for future, not current, pension liabilities. Cities and towns may voluntarily appropriate to their system's pension reserve fund in any given year up to five percent of the preceding year's tax levy. The aggregate amount in the fund may not exceed ten percent of the equalized valuation of the city or town.

If a city or town, or each member city and town of a county retirement system, has accepted the applicable law, it is required to annually appropriate an amount sufficient to pay not only its current pension obligations, but also a portion of its future pension liability. The portion of each such annual payment allocable to future pension obligations is required to be deposited in the pension reserve fund. The amount of the annual city or town appropriation for each such system is prescribed by a retirement system funding schedule which is periodically reviewed and approved by PERAC. Each system's retirement funding schedule is designed to reduce the unfunded actuarial pension liability of the system to zero by not later than June 30, 2030, with annual increases in the scheduled payment amounts of not more than 4.5 percent. The funding schedule must provide that payment in any year of the schedule is not less than 95 percent of the amount appropriated in the previous fiscal year. City, town and county systems which have an approved retirement funding schedule receive annual pension funding grants from the Commonwealth for the first 16 years of such funding schedule.

A system (other than the state employees' retirement system and the teachers' retirement system) which conducts an actuarial valuation as of January 1, 2009, or later, may establish a revised schedule which reduces the unfunded actuarial liability to zero by not later than June 30, 2040, subject to certain conditions. If the schedule is so extended under such provisions and a later updated valuation allows for the development of a revised schedule with reduced payments, the revised schedule shall be adjusted to provide that the appropriation for each year shall not be less than that for such year under the prior schedule, thus providing for a shorter schedule rather than reduced payments.

City, town and county systems may choose to participate in the Pension Reserves Investment Trust Fund (the “PRIT Fund”), which receives additional state funds to offset future pension costs of participating state and local systems. If a local system participates in the PRIT Fund, it must transfer ownership and control of all assets of its system to the Pension Reserves Investment Management Board, which manages the investment and reinvestment of the PRIT Fund. Cities and towns with systems participating in the PRIT Fund continue to be obligated to fund their pension obligations in the manner described above. The additional state appropriations to offset future pension liabilities of state and local systems participating in the PRIT Fund are required to total at least 1.3 percent of state payroll. Such additional state appropriations are deposited in the PRIT Fund and shared by all participating systems in proportion to their interests in the assets of the PRIT Fund as of July 1 for each fiscal year.

Cost-of-living increases for each local retirement system may be granted and funded only by the local system, and only if it has established a funding schedule. Those statutory provisions are subject to acceptance by the local retirement board and approval by the local legislative body, which acceptance may not be revoked.

The Town’s annual contributions to the Hingham Contributory Retirement System (the “System”), which participates in the PRIT Fund, as of June 30 for the most recent fiscal years are as follows:

Retirement System Contributions

<u>Fiscal Year</u>	<u>Contributing⁽¹⁾</u>	<u>Non-Contributing⁽²⁾</u>
2017	\$4,302,489	\$ 0
2016	4,162,197	0
2015	4,092,386	0
2014	3,958,936	0
2013	3,900,316	0

The foregoing data does not include the System’s costs or liability attributable to employees of the county or the System’s costs or liabilities of any other entity of which the Town is a constituent part.

- (1) Includes Municipal Light Department which is paid from electric revenues. Does not include the Hingham Housing Authority or the South Shore Regional Emergency Communications Center.
- (2) The Town’s obligation under the non-contributory retirement plan ended in 2012.

Source: Extracted from the January 1, 2016 Actuarial Valuation prepared by KMA Actuaries, LLC.

The unfunded pension benefit obligation of the Town of Hingham Contributory Retirement System on January 1, 2016 for all component units was as follows:

Actuarial Accrued Liability	\$148,847,803
Actuarial Value of Assets	<u>101,018,828</u>
Unfunded Actuarial Accrued Liability	<u>\$ 47,828,975</u>
Funded Ratio	67.9%

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**Town of Hingham, Massachusetts
Contributory Retirement System
30-Year Forecast of Annual Appropriations
Based on Results of January 1, 2016 Valuation**

Fiscal Year	Employer	Amortization	Net 3(8)(c)	Total Employer	Increase	2014
Ending	Normal Cost	Payment of	Transfers	Cost	Over Prior	Schedule
		UAL			Year	
2017	2,120,360	2,347,751	--	4,468,111	6.50	4,468,111
2018	2,166,321	2,592,217	--	4,758,538	6.50	4,617,409
2019	2,212,126	2,855,717	--	5,067,843	6.50	4,771,155
2020	2,257,666	3,139,587	--	5,397,253	6.50	4,949,448
2021	2,302,824	3,445,250	--	5,748,074	6.50	5,223,785
2022	2,347,476	3,774,222	--	6,121,698	6.50	5,382,032
2023	2,391,483	4,128,126	--	6,519,609	6.50	5,544,031
2024	2,434,697	4,508,688	--	6,943,385	6.50	5,709,797
2025	2,476,957	4,917,747	--	7,394,704	6.50	5,879,348
2026	2,518,089	5,357,271	--	7,875,360	6.50	6,052,690
2027	2,557,909	5,829,349	--	8,387,258	6.50	6,229,826
2028	2,596,213	6,336,217	--	8,932,430	6.50	6,410,751
2029	2,632,785	6,880,252	--	9,513,037	6.50	6,595,450
2030	2,751,261	7,380,125	--	10,131,386	6.50	6,869,124
2031	2,875,068	7,839,472	--	10,714,540	5.76	7,154,190
2032	3,004,446	8,153,051	--	11,157,497	4.13	7,451,122
2033	3,139,645	8,479,174	--	11,618,819	4.13	7,760,415
2034	3,280,930	8,818,340	--	12,099,270	4.14	8,082,587
2035	3,428,572	9,171,074	--	12,599,646	4.14	8,418,174
2036	3,582,857	--	--	3,582,857	-71.56	8,767,737
2037	3,744,086	--	--	3,744,086	4.50	9,131,859
2038	3,912,570	--	--	3,912,570	4.50	9,511,152
2039	4,088,636	--	--	4,088,636	4.50	3,061,511
2040	4,272,624	--	--	4,272,624	4.50	3,199,280
2041	4,464,891	--	--	4,464,891	4.50	3,343,246
2042	4,665,812	--	--	4,665,812	4.50	3,493,692
2043	4,875,775	--	--	4,875,775	4.50	3,650,908
2044	5,095,183	--	--	5,095,183	4.50	3,815,198
2045	5,324,466	--	--	5,324,466	4.50	3,986,882
2046	5,564,067	--	--	5,564,067	4.50	4,166,292

Notes:

- Employer Normal Cost as of January 1, 2016: \$2,042,683
- Unfunded Actuarial Accrued Liability (UAL): 47,828,975
- Investment Return Rate: 7.75%
- Amortization Payments Increase Annually: 4.00%
- Limit on Annual Increase: None
- Fully Funded in Fiscal Year: 2035

Source: Town of Hingham

Other Post-Employment Benefits

In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits. The portion of the cost of such benefits paid by cities and towns is generally provided on a pay-as-you-go basis.

The Government Accounting Standards Board ("GASB") Statement Nos. 43 and 45 require public sector entities to report future costs of non-pension, post-employment benefits in their financial statements. The Town implemented the GASB reporting requirements in fiscal year 2008. In 2012, the Town voted to accept legislation, MGL Ch 32B section 20, as amended, allowing the Town's to establish an Other Post-Employment Benefits Trust Fund ("OPEB") and to invest OPEB funds consistent with the prudent investor rule established in Chapter 203C of the General Laws

as is allowed for investment of pension funds. Subsequently the Town's OPEB funds were transferred to the State Retiree Benefits Trust Fund in order to achieve maximum investment opportunity under the statute.

KMS Actuaries LLC has provided the Town with an actuarial valuation of the Town's non pension, post-retirement benefits in compliance with GASB 45 as of June 30, 2016. The total unfunded actuarial accrued liability ("UAAL") was \$65,618,467, which is based on a 7.75% discount rate and a 30 year schedule. The Hingham Municipal Light Department's share of this unfunded actuarial accrued liability ("UAAL") was \$755,534.

The balance of the Town OPEB Trust Fund as of June 30, 2017 was \$10,238,053. In fiscal year 2018, the Town approved funding of \$814,175. The balance in the Hingham Municipal Light Department OPEB fund as of June 30, 2017 was \$1,818,309.

EMPLOYEE RELATIONS

The Town of Hingham employs approximately 1,171 full-time and part-time workers, 811 of whom are employed by the school department, 50 by the police department, 50 by the fire department and the remainder by various other town departments. Town employees (other than managerial and confidential employees) are entitled to join unions and to bargain collectively on questions of wages, hours and other terms and conditions of employment. Approximately 642 Town employees are represented by unions, including 368 teachers and school administrators, 100 police and fire department employees, and 65 school bus drivers and custodians, 36 highway and DPW employees and 32 librarians.

Employees

<u>Organization</u>	<u>Contract Expiration Date</u>
Library- Service Employees International Union, Local 888	6/30/20
Fire- International Association of Fire Fighters, Local 2398	6/30/17 (1)
DPW- International Brotherhood of Teamsters, Local 25	6/30/16 (1)
DPW-Supervisors- International Brotherhood of Teamsters, Local 25	6/30/19
Police- International Brotherhood of Police, Local 70	6/30/20
Police Superiors- Hingham Superior Officers Union	6/30/19
Hingham Public School Custodians & Maintenance Workers' Association	6/30/17(1)
Hingham Public School Bus & Van Drivers' Association	6/30/17(1)
Hingham Administrators Association Affiliated with Massachusetts Education Association	6/30/20
Hingham Education Association (Teachers)	8/31/20
Hingham Education Association Paraprofessional Unit	6/30/17(1)
Massachusetts Laborers' District Council in Behalf of Local 1139 of the Laborers' International Union, AFL-CIO covering Cafeteria Managers, Assistant Managers and Food Service Technicians	6/30/20

(1) In negotiation

Source: Town Human Resources Department

LITIGATION

At present there are several cases pending in various courts throughout The Commonwealth of Massachusetts where the Town is a defendant. In the opinion of Town Counsel, none of the pending litigation is likely to result, either individually or in the aggregate, in final judgments against the Town that would materially affect its financial position.

RECENT DEVELOPMENTS

The Town is exploring the possibility of acquiring certain assets of Aquarion Water Company of Massachusetts, Inc. (“Aquarion”). In conjunction with this possible acquisition, the Town is currently involved in litigation with Aquarion, Town of Hingham v. Aquarion Water Company of Massachusetts, Inc. and Aquarion Water Capital of Massachusetts, Inc., Case #, SUCV 2013-03159-BLS2. The complaint for declaratory relief requests that the Court construe special legislation, St. 1879, c. 139, enacted March 21, 1879, that allows the Town to purchase the corporate property and all the rights and privileges of the water company incorporated by the act. The complaint requests the Court to declare the appropriate calculation and purchase price under the 1879 statute. The complaint also requests that the court declare whether the water treatment plant must be sold to the Town as part of any purchase pursuant to the 1879 statute. The trial testimony to the Court, jury-waived, concluded on March 2, 2015, with final arguments heard on May 28, 2015. In November, 2015, the judge ruled that the Town has the right to purchase the Hingham water plant, and made several rulings, while not setting a purchase price. At the end of April, 2016, the Court issued a Memorandum of Decision on Final Judgment and a Final Judgment declaring the formula to determine the purchase price and the purchase price as of December 31, 2013 to be \$88,585,821. Both parties have appealed the Court's Final Judgment. Application to the Supreme Judicial Court for Further Appellate Review was filed on December 1, 2017. Review by the Supreme Judicial Court is discretionary with the Court. The Town is awaiting a ruling from the Supreme Judicial Court as to whether it will review or not. The Town is awaiting the conclusion of the litigation before it addresses the question of potential purchase of the water company. Any purchase by the Town of its water company would require a two-thirds vote of Town Meeting. It is not known at this time whether the Town will proceed to acquire Aquarion’s assets that are currently providing water to Hingham residents. If the Town were to proceed, it is anticipated that the Town would issue debt to fund this acquisition with 100% of the debt service paid through current water rates without the necessity for any property tax support.

ADDITIONAL INFORMATION

Additional information may be obtained from the Town's Financial Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, (516) 570-0340.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the Town and the original purchasers or holders of any of the Notes.

This Official Statement has been prepared only in connection with the sale of the Notes by the Town and may not be reproduced or used in whole or in part for any other purpose.

**TOWN OF HINGHAM,
MASSACHUSETTS**

By: /s/ Jean M. Montgomery
Town Treasurer

Dated: May __, 2018

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APPENDIX B

SUMMARY FINANCIAL STATEMENTS

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TOWN OF HINGHAM, MASSACHUSETTS
General Fund Budget
Fiscal Year End 6/30

	<u>2017</u>	<u>2018</u>
REVENUES:		
Local:		
Taxes	\$ 78,080,005	\$ 80,038,063
Tax Liens		
Motor Vehicles and Other Excise Taxes	4,300,000	4,300,000
Licenses and Fees	1,275,000	1,275,000
Intergovernmental	10,476,586	10,785,905
State Grant for Teachers Pension		
Departmental and Other	2,816,054	2,955,115
Investment Income	78,400	78,400
Miscellaneous Revenue(Meals Tax)	720,000	720,000
Total Local:	<u>97,746,045</u>	<u>100,152,483</u>
Total Revenues	<u>\$ 97,746,045</u>	<u>\$ 100,152,483</u>

EXPENDITURES

Current:		
General Government	\$ 4,672,075	\$ 4,925,955
Public Safety	13,036,246	12,985,787
Education	48,480,876	50,613,514
Public Works	5,578,558	5,930,590
Human Services	967,240	945,353
Culture and Recreation	2,979,373	1,881,417
Pension	4,029,783	4,221,102
Property and Liability Insurance	605,000	635,250
Employee Benefits	1,897,563	2,026,925
Group Health Insurance	7,195,455	6,863,728
Miscellaneous	10,950	10,950
Claims and Judgments		
Debt Service:		
Debt Principal	7,412,423	7,058,558
Debt Interest	2,149,608	2,131,346
Intergovernmental:		
State and County Assessments	<u>978,774</u>	<u>959,430</u>
Total Appropriations	<u>\$ 99,993,924</u>	<u>\$ 101,189,905</u>

Source: Town's Adopted Budgets
Summary, table not audited

**TOWN OF HINGHAM, MASSACHUSETTS
COMPARATIVE BALANCE SHEET - GENERAL FUND**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
ASSETS:					
Cash and Equivalents	\$ 33,451,604	\$ 31,808,625	\$ 32,093,062	\$ 28,629,610	\$ 23,657,790
Investments	-	-	-	-	-
Receivables:					
Property Taxes	1,400,528	1,386,987	1,329,524	1,372,502	1,288,881
Allowance for Abatements	-	-	-	-	-
Tax Liens	831,961	808,482	887,700	735,316	724,248
Excise Taxes	385,470	278,092	264,919	245,008	353,776
Departmental Revenues	540,448	621,254	343,806	292,717	396,794
Special Assessments	1,059,429	1,300,839	984,981	1,199,233	1,396,638
Intergovernmental	6,818,574	8,672,111	10,362,780	11,951,478	13,469,914
User Charges and Liens	-	-	-	-	-
Tax Foreclosures	306,033	278,711	159,763	122,712	122,712
Due from Other Funds	3,188,181	3,882,432	2,773,481	1,658,893	1,406,677
Deposit	-	-	-	-	-
Total Assets	<u>\$ 47,982,228</u>	<u>\$ 49,037,533</u>	<u>\$ 49,200,016</u>	<u>\$ 46,207,469</u>	<u>\$ 42,817,430</u>
Liabilities and Fund Balance:					
LIABILITIES:					
Warrants Payable	\$ 1,262,407	\$ 702,817	\$ 641,447	\$ 1,000,575	\$ 945,466
Accrued Payroll and Taxes	2,659,100	2,596,092	2,142,452	1,795,250	1,885,997
BAN Payable	-	-	-	1,200,000	-
Accrued Interest on Short-Term Debt	-	-	-	-	-
Other Liabilities	697,697	1,305,323	1,107,702	971,895	876,022
Deferred Revenue	10,569,535	12,930,111	13,835,562	15,530,086	17,434,043
Due to Other Funds	-	-	-	-	-
Tax Refunds Payable	232,461	-	102,056	-	6,055
Total Liabilities	<u>\$ 15,421,200</u>	<u>\$ 17,534,343</u>	<u>\$ 17,829,219</u>	<u>\$ 20,497,806</u>	<u>\$ 21,147,583</u>
FUND EQUITY AND OTHER CREDITS:					
Reserved for Encumbrances		\$ -	\$ -	\$ -	\$ -
Restricted	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Committed	1,759,764	519,030	1,428,425	1,473,926	1,033,485
Assigned	2,811,447	4,230,263	3,488,503	2,374,893	2,679,682
Designated for Future Expenditures	0	0	-	-	-
Undesignated	26,739,817	25,503,897	25,203,869	20,610,844	16,706,680
Total Fund Equity and Other Credits	<u>\$ 32,561,028</u>	<u>\$ 31,503,190</u>	<u>\$ 31,370,797</u>	<u>\$ 25,709,663</u>	<u>\$ 21,669,847</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$ 47,982,228</u>	<u>\$ 49,037,533</u>	<u>\$ 49,200,016</u>	<u>\$ 46,207,469</u>	<u>\$ 42,817,430</u>

Sources: Town's Audited Financial Statements
Summary, table not audited

**TOWN OF HINGHAM, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GENERAL FUND**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
REVENUES:					
Local:					
Taxes	\$ 79,328,489	\$ 76,548,555	\$ 73,893,064	\$ 69,440,471	\$ 66,609,512
Tax Liens	185,112	140,989	51,041	70,570	137,197
Motor Vehicles and Other Excise Taxes	4,473,861	4,428,068	4,082,934	3,869,853	3,527,929
Licenses and Fees	3,120,712	2,839,471	3,126,087	3,260,899	3,014,994
Intergovernmental	10,911,239	10,375,252	10,294,808	9,371,426	9,729,651
State Grant for Teachers Pension	10,571,652	7,445,934	4,792,053	9,857,159	9,258,650
Departmental and Other	2,188,824	2,121,885	1,597,518	1,946,001	1,986,384
Investment Income	328,380	165,259	93,960	86,584	94,959
Miscellaneous Revenue	-	2,247	1,000	10,240	-
Total Local:	<u>111,108,269</u>	<u>104,067,660</u>	<u>97,932,465</u>	<u>97,913,203</u>	<u>94,359,276</u>
Total Revenues	<u>\$ 111,108,269</u>	<u>\$ 104,067,660</u>	<u>\$ 97,932,465</u>	<u>\$ 97,913,203</u>	<u>\$ 94,359,276</u>
EXPENDITURES					
Current:					
General Government	\$ 4,493,607	\$ 4,334,924	\$ 4,527,899	\$ 4,239,242	\$ 3,677,745
Public Safety	13,220,783	12,666,910	13,088,533	11,345,133	11,344,339
Education	48,438,921	46,146,932	44,027,565	41,163,910	39,728,604
Public Works	5,837,361	5,987,166	6,892,789	5,806,908	4,850,241
Human Services	889,603	875,800	882,166	892,875	843,532
Culture and Recreation	2,939,482	1,781,707	1,813,391	1,600,385	1,565,213
Pension	14,602,590	11,326,968	8,637,540	13,573,500	12,907,152
Property and Liability Insurance	605,000	593,532	569,312	412,965	381,000
Employee Benefits	9,163,823	8,224,135	8,338,761	8,257,215	8,247,415
Group Health Insurance	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Claims and Judgments	-	-	-	-	-
Debt Service:					
Debt Principal	7,060,083	7,077,307	4,630,065	4,726,369	4,870,183
Debt Interest	2,391,922	2,737,150	1,995,198	2,200,071	2,111,485
Intergovernmental:					
State and County Assessments	<u>892,397</u>	<u>858,212</u>	<u>811,030</u>	<u>159,467</u>	<u>784,666</u>
Total Expenditures	<u>\$ 110,535,572</u>	<u>\$ 102,610,743</u>	<u>\$ 96,214,249</u>	<u>\$ 94,378,040</u>	<u>\$ 91,311,575</u>
Excess of Revenues Over (Under) Expenditures	\$ 572,697	\$ 1,456,917	\$ 1,718,216	\$ 3,535,163	\$ 3,047,701
Other Financing Sources (Uses)					
Bond Proceeds	-	-	1,200,000	-	-
Premium from Issuance of Bonds	77,817	2,760,752	2,415,918	-	-
Issuance of Refunding Bonds	-	19,688,046	-	-	-
Payments to Refunding Bonds Escrow Agent	-	(22,448,798)	-	-	-
Redemption of Refunded Bonds	-	-	-	-	-
Operating Transfers In	494,999	504,080	500,000	504,653	534,280
Operating Transfers Out	(87,675)	(1,828,604)	(173,000)	-	(564,935)
Transfers to Component Unit	-	-	-	-	-
Sale of Assets	-	-	-	-	-
Total Net Other Financing Sources (Uses)	485,141	(1,324,524)	3,942,918	504,653	(30,655)
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over Expenditures	1,057,838	132,393	5,661,134	4,039,816	3,017,046
FUND BALANCE, Beginning of Year	<u>31,503,190</u>	<u>31,370,797</u>	<u>25,709,663</u>	<u>21,669,847</u>	<u>18,652,801</u>
Prior Period Adjustment	-	-	-	-	-
FUND BALANCE (DEFICIT), End of Year	<u>\$ 32,561,028</u>	<u>\$ 31,503,190</u>	<u>\$ 31,370,797</u>	<u>\$ 25,709,663</u>	<u>\$ 21,669,847</u>

Sources: Town's Audited Financial Statements
Summary, table not audited

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APPENDIX C

FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2017*

Can be accessed on the Electronic Municipal Market Access (“EMMA”) website of the Municipal Securities Rulemaking Board (“MSRB”) at the following link:

<https://emma.msrb.org/ES1242392.pdf>

The audited financial statements referenced above are hereby incorporated into the attached Official Statement.

*** Such Financial Statements and opinion are intended to be representative only as of the date thereof and only to the matters expressly set forth therein. Powers & Sullivan, LLC has not been engaged by the Town to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement nor have they been engaged to review this Official Statement and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in the Appendix C. Powers & Sullivan, LLC has not been requested to give their consent to the inclusion of their report in this Appendix C.**

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APPENDIX D

NOTICE OF SALE AND BID FORM FOR THE NOTES

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Official Notice of Sale

**Town of Hingham,
Massachusetts**

\$10,825,426*

General Obligation Bond Anticipation Notes

NON-BANK QUALIFIED

The Town of Hingham, Massachusetts, will receive fax bids at (516) 487-2575, phone bids at (516) 570-0340 and electronic bids until **11:00** a.m. (Eastern Daylight Time) on

Tuesday, May 8, 2018

for the purchase of \$10,825,426* General Obligation Bond Anticipation Notes (the "Notes").

The Notes, in book-entry form (unless issued as a fully registered certificate as provided herein), will be dated May 16, 2018 and will mature on May 16, 2019.

Interest will be payable at maturity and will be computed for 30 day months and a 360 day year basis (360/360). Both principal and interest on the Notes will be payable in federal reserve funds to DTC (or the Registered Owner if issued as a fully registered certificate as provided herein) by U.S. Bank National Association in Boston, Massachusetts, acting as Paying Agent to the Town.

Bids may be for all or part of the Notes at a single or various rates of interest in a multiple of one-eighth (1/8) or one-hundredth (1/100) of one percent (1%). **The minimum amount to be bid on the Notes at a single rate of interest is \$1,000,000.**

The Notes will be awarded on the basis of the lowest net interest cost to the Town after the application of any premium offered. In the event a bidder offering a premium for the Notes is awarded a lesser amount of Notes than bid, the premium will be reduced proportionately. The award of the Notes to the winning bidder will not be effective until the bid has been approved by the Treasurer and the Board of Selectmen.

The Town reserves the right to adjust the aggregate par amount of the Notes. The purpose of such adjustment will be to limit the amount of Note proceeds, including premium, to an amount equal to approximately (i) the amount needed for costs of the projects being funded by the Notes, plus (ii) costs of issuance.

Any adjustment in the aggregate principal amount of the Notes will be in an amount of \$5,000 or an integral multiple thereof and will be made in order to avoid an over issuance of the Notes. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustment in the aggregate principal amount of the Notes to be issued. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the per-bond underwriter's discount as calculated from the bid and offering price required to be delivered to the Town as stated herein. The successful bidder may not withdraw its bid or change the interest rate bid or initial reoffer price as a result of any changes made to the principal amounts within these limits.

The Notes will be issued by means of a book-entry system evidencing ownership in principal amounts of \$5,000 or integral multiples thereof, except for one necessary odd denomination in the amount of \$426, and transfer of the Notes on the records of The Depository Trust Company ("DTC") and its

Participants pursuant to the rules and procedures adopted by DTC, unless the issuance of a fully registered note certificate is requested by the successful bidder and the issuance of such certificate is approved by the Town (see “Book-Entry Transfer System”).

Notice is hereby given that electronic proposals will be received via **PARITY**, in the manner described above, until 11:00 a.m., Eastern Daylight Time, on May 8, 2018. Bids may be submitted electronically via **PARITY** pursuant to this Notice of Sale until 11:00 a.m., Eastern Daylight Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Capital Markets Advisors, LLC or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, NY 10018, telephone (212) 849-5021.

Any bidder who submits a winning bid by telephone in accordance with this Notice of Sale shall be required to provide written confirmation of the terms of the bid by faxing or e-mailing a completed, signed bid form to Capital Markets Advisors, LLC by not later than 12:00 p.m., Eastern Daylight Time, on the date of the sale. An electronic bid made in accordance with this Notice of Sale shall be deemed an offer to purchase the Notes in accordance with the terms provided in this Notice of Sale and shall be binding upon the bidder as if made by a signed and sealed written bid delivered to the Town.

A successful bidder for all of the Notes may request that the Notes be issued in the form of one fully registered physical certificate, rather than in book-entry form through the facilities of DTC. The successful bidder seeking the issuance of the Notes in this manner shall bear any and all costs of any re-registration or transfer of Notes from time to time. Any bidder seeking to have the Notes issued in the form of fully registered physical certificates, rather than in book-entry form, shall indicate this preference to the Town at the time of the submission of the winning bid. The Town reserves the right to decline any request to issue the Notes in non-book entry form if it should determine, in its sole discretion, that issuing the Notes in this manner is not in its best interests. U.S. Bank National Association, Boston, Massachusetts, will act as Paying Agent for the Notes.

The successful bidder will be furnished the opinion of Locke Lord LLP, Boston, Massachusetts, approving the legality of the Notes. The opinion will state that the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors rights and that their enforceability may also be subject to the exercise of judicial discretion in appropriate cases. The Notes are valid general obligations of the Town, and, to the extent not paid from other sources, the Notes are payable from taxes which may be levied upon all taxable property within the territorial limits of the Town, subject to the limit imposed by Chapter 59, Section 21C of the General Laws.

It shall be the condition of the successful bidder’s obligation to accept delivery of and pay for the Notes that, contemporaneously with or before accepting Notes and paying therefore, it shall be furnished, without cost, with (a) the approving opinion of the firm of Locke Lord LLP, Boston, Massachusetts, with respect to the Notes, (b) a certificate in form satisfactory to said firm, dated as of the date of delivery of such Notes and receipt of payment thereof, to the effect that there is no litigation pending, or to the knowledge of the signer or signers thereof, threatened affecting the validity of such Notes or the power of the Town to levy and collect taxes to pay them, (c) a certificate of the Town Treasurer’s to the effect that, to the best of her knowledge and belief, both the Preliminary Official Statement as of the date of sale and the Final Official Statement as of the date of delivery of such Notes referred to below, do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they made, not misleading.

It is anticipated that CUSIP identification numbers will be printed on said Notes. All expenses in relation to the printing of CUSIP numbers on said Notes shall be paid for by the Town, provided however, that the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

Any questions regarding this Notice of Sale or the Preliminary Official Statement should be directed to Jean M. Montgomery, Town Treasurer/Collector, at (781) 741-1408 or Sue Nickerson, Town Accountant, at (781) 741-1470. This Preliminary Official Statement is deemed final by the Town except for the omission of the reoffering prices, interest rates, and any other terms of the Notes depending on such matters and the identity of the underwriters. Within seven business days following the award of the Notes and receipt of necessary information from the successful bidder, 10 copies of the Final Official Statement will be made available to the successful bidder. Upon request, additional copies will be provided at the expense of the successful bidder.

In order to assist bidders in complying with the requirements of paragraph (b)(5)(i)(C) of Rule 15c2-12 promulgated by the Securities Exchange Commission, the Town will undertake to provide notices of the occurrence of certain significant events. A description of this undertaking is set forth in the Preliminary Official Statement.

The Notes will not be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986.

The Notes will be delivered to The Depository Trust Company or the office of its custodial agent, or to the registered owner if a fully registered certificate is requested by the winning bidder and approved by the Town, against payment to the account of the Town in *federal funds* on or about May 16, 2018.

The right is reserved to reject any or all bids and to reject any bid not complying with this Notice of Sale, and so far as permitted by law, to waive any irregularity with respect to any proposal.

Establishment of Issue Price

The successful bidder shall assist the Town in establishing the issue price of the Notes and shall execute and deliver to the Town on the Closing Date an "issue price" or similar certificate, in the applicable form set forth in Exhibit 1 to this Notice of Sale, setting forth the reasonably expected initial offering prices to the public or the sales price of the Notes together with the supporting pricing wires or equivalent communications, or, if applicable, the amount bid, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the Town and Bond Counsel. All actions to be taken by the Town under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the Town by Capital Markets Advisors, LLC (the "Municipal Advisor") and any notice or report to be provided to the Town may be provided to the Municipal Advisor.

Competitive Sale Requirements. If the competitive sale requirements ("competitive sale requirements") set forth in Treasury Regulation § 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) have been satisfied, the Town will furnish to the successful bidder on the Closing Date a certificate of the Municipal Advisor, which will certify each of the following conditions to be true:

1. the Town has disseminated this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
2. all bidders had an equal opportunity to bid;

3. the Town received bids from at least three underwriters of municipal Notes who have established industry reputations for underwriting new issuances of municipal Notes; and

4. the Town awarded the sale of the Notes to the bidder who submitted a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid. Unless a bidder notifies the Town prior to submitting its bid to the Municipal Advisor by facsimile [(516) 487-2575] or phone [516-570-0340] or in its bid submitted via Parity, that it will not be an “underwriter” (as defined below) of the Notes, by submitting its bid, each bidder shall be deemed to confirm that it has an established industry reputation for underwriting new issuances of municipal Notes. Unless the bidder has notified the Town that it will not be an “underwriter” (as defined below) of the Notes, in submitting a bid, each bidder is deemed to acknowledge that it is an “underwriter” that intends to reoffer the Notes to the public.

In the event that the competitive sale requirements are not satisfied, the Town shall so advise the successful bidder.

Failure to Meet the Competitive Sale Requirements – Option A – The Successful Bidder Intends to Reoffer the Notes to the Public. If the competitive sale requirements are not satisfied and the successful bidder intends to reoffer the Notes to the public, the Town will use the first price at which 10% of a maturity of the Notes (the “10% test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis, of the Notes. The successful bidder shall advise the Municipal Advisor if any maturity of the Notes satisfies the 10% test as of the date and time of the award of the Notes. The Town will not require bidders to comply with the “hold-the-offering-price rule” set forth in the applicable Treasury Regulations and therefore does not intend to use the initial offering price to the public as of the Sale Date of any maturity of the Notes as the issue price of that maturity, if the competitive sale requirements are not met.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Notes or all of the Notes are sold to the public, the successful bidder agrees to promptly report to the Municipal Advisor the prices at which the unsold Notes of each maturity have been sold to the public, which reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied for each maturity of the Notes or until all the Notes of a maturity have been sold. The successful bidder shall be obligated to report each sale of Notes to the Municipal Advisor until notified in writing by the Town or the Municipal Advisor that it no longer needs to do so.

By submitting a bid and if the competitive sale requirements are not met, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Notes of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public, if and for so long as directed by the successful bidder and as set forth in the related pricing wires and (ii) any agreement among underwriters relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such retail distribution

agreement to report the prices at which it sells to the public the unsold Notes of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

1. “public” means any person other than an underwriter or a related party,
2. “underwriter” means (A) any person that agrees pursuant to a written contract with the Town (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the public), and
3. a purchaser of any of the Notes is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

Failure to Meet the Competitive Sale Requirements – Option B– The Successful Bidder Intends to Reoffer the Notes to the Public and Agrees to Hold the Price of Maturities of Notes for Which the 10% Test in Option A Is Not Met as of the Sale Date. The successful bidder may, at its option, notify the Municipal Advisor in writing, which may be by email (the “Hold the Price Notice”), not later than 4:00 p.m. Eastern Time on the Sale Date, that it has not sold 10% of the maturities of the Notes listed in the Hold the Price Notice (the “Unsold Maturities”) and that the successful bidder will not offer the Unsold Maturities to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the successful bidder has sold at least 10% of the applicable Unsold Maturity to the public at a price that is no higher than the initial offering price to the public. If the successful bidder delivers a Hold the Price Notice to the Municipal Advisor, the successful bidder must provide to the Issuer on or before the Closing Date, in addition to the certification described in Option A above, evidence that each underwriter of the Notes, including underwriters in an underwriting syndicate or selling group, has agreed in writing to hold the price of the Unsold Maturities in the manner described in the preceding sentence.

Failure to Meet the Competitive Sale Requirements – Option C– The Successful Bidder Does Not Intend to Reoffer the Notes to the Public. If the successful bidder has purchased the Notes for its own account and will not distribute or resell the Notes to the public, then, whether or not the competitive sale requirements were met, the reoffering price certificate will recite such facts and identify the price or prices at which the purchase of the Notes was made.

Bond Counsel are not passing upon and do not assume any responsibility for the accuracy or adequacy of the information contained herein or the following information contained in the Preliminary Official

Statement other than matters expressly set forth as the opinion of Bond Counsel and they make no representation that they have independently verified the same.

TOWN OF HINGHAM, MASSACHUSETTS

/s/ Jean Montgomery

Town Treasurer

Dated: April 26, 2018

[Issue Price Certificate for Use If the Competitive Sale Requirements Are Met]

Town of Hingham, Massachusetts
\$10,825,426* General Obligation Bond Anticipation Notes dated May 16, 2018

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of _____ (the "Successful Bidder"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Notes") of the of the Town of Hingham, Massachusetts (the "Issuer").

1. Reasonably Expected Initial Offering Prices.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Notes to the Public by the Successful Bidder are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Notes used by the Successful Bidder in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by the Successful Bidder to purchase the Notes.

(b) The Successful Bidder was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Successful Bidder constituted a firm offer to purchase the Notes.

2. Defined Terms.

(a) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Notes. The Sale Date of the Notes is May 8, 2018.

(d) *Underwriter* means (i) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

Receipt. The Successful Bidder hereby acknowledges receipt of the Notes and further acknowledges receipt of all certificates, opinions, and other documents required to be delivered to the Successful Bidder, before or simultaneously with the Notes, which certificates, opinions, and other documents are satisfactory to the Successful Bidder.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Successful Bidders interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Dated: _____, 2018

[NAME OF SUCCESSFUL BIDDER]

By: _____
 Name:
 Title:

 *Preliminary, subject to change.

SCHEDULE A
EXPECTED OFFERING PRICES
(To Be Attached)

SCHEDULE B
COPY OF SUCCESSFUL BIDDER'S BID
(To Be Attached)

[Issue Price Certificate for Use If the Competitive Sale Requirements Are Not Met and the Hold the Price Rule Is Not Used]

**Town of Hingham, Massachusetts
\$10,825,426* General Obligation Bond Anticipation Notes dated May 16, 2018**

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of _____, (the “[Successful Bidder][Representative]”), on behalf of itself [and [NAMES OF OTHER UNDERWRITERS]] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Notes”) of the Town of Hingham, Massachusetts (the “Issuer”).

1. Sale of the Notes. As of the date of this certificate, [except as set forth in paragraph 2 below,] for each Maturity of the Notes, the first price at which at least 10% of such Maturity of the Notes was sold to the Public is the respective price listed in Schedule A.

[Only use the next paragraph if the 10% test has not been met or all of the Notes have not been sold for one or more Maturities of Notes as of the Closing Date.]

For each Maturity of the Notes as to which no price is listed in Schedule A, as set forth in the Notice of Sale for the Notes, until the 10% test has been satisfied as to each Maturity of the Notes or all of the Notes are sold to the Public, the [Successful Bidder][Representative] agrees to promptly report to the Issuer’s financial advisor, Capital Markets Advisors, LLC (the “Financial Advisor”) the prices at which the unsold Notes of each Maturity have been sold to the Public, which reporting obligation shall continue after the date hereof until the 10% test has been satisfied for each Maturity of the Notes or until all the Notes of a Maturity have been sold. The [Successful Bidder][Representative] shall continue to report each sale of Notes to the Financial Advisor until notified by email or in writing by the State or the Financial Advisor that it no longer needs to do so.

2. Defined Terms.

(a) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Underwriter* means (i) any person, including the [Successful Bidder][Representative], that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

3. Receipt. The Successful Bidder hereby acknowledges receipt of the Notes and further acknowledges receipt of all certificates, opinions, and other documents required to be delivered to the Successful Bidder, before or simultaneously with the Notes, which certificates, opinions, and other documents are satisfactory to the Successful Bidder.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder][Representative]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Dated: _____, 2018

[SUCCESSFUL BIDDER][REPRESENTATIVE]

By: _____

Name:

Title:

*Preliminary, subject to change.

SALE PRICES
(To be Attached)

SCHEDULE A

[Issue Price Certificate for Use If the Competitive Sale Requirements Are Not Met and the Hold the Price Rule Is Used]

Town of Hingham, Massachusetts
\$10,825,426* General Obligation Bond Anticipation Notes dated May 16, 2018

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of _____ (the (“[Successful Bidder][Representative]”), on behalf of itself [and [NAMES OF OTHER UNDERWRITERS]]hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Notes”) of the Town of Hingham, Massachusetts (the “Issuer”).

1. Sale of the Notes. As of the date of this certificate, [except as set forth in paragraph 2 below,] for each Maturity of the Notes, the first price at which at least 10% of such Maturity of the Notes was sold to the Public is the respective price listed in Schedule A.

[Only use the next paragraph if the 10% test has not been met as of the Sale Date.]

For each Maturity of the Notes as to which no price is listed in Schedule A (the “Unsold Maturities”), as set forth in the Notice of Sale for the Notes, the [Successful Bidder][Representative] and any other Underwriter did not reoffer the Unsold Maturities until the earlier of (i) _____, 2018 or (ii) the date on which the [Successful Bidder][Representative] or any other Underwriter sold at least 10% of each Unsold Maturity at a price that is no higher than the initial offering price to the Public.

2. Defined Terms.

(a) Maturity means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) Underwriter means (i) any person, including the [Successful Bidder][Representative], that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

3. Receipt. The [Successful Bidder][Representative] hereby acknowledges receipt of the Notes and further acknowledges receipt of all certificates, opinion and other documents required to be delivered to the [Successful Bidder][Representative], before or simultaneously with the delivery of such Notes of the Issue, which certificates, opinions and other documents are satisfactory to the [Successful Bidder][Representative].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder’s][Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Dated: _____, 2018

[SUCCESSFUL BIDDER][REPRESENTATIVE]

By: _____

Name:

Title:

[*Preliminary, subject to change.]

SCHEDULE A
SALE PRICES
(To be Attached)

AM 67690321.1

PROPOSAL FOR NOTES

Ms. Jean Montgomery
 Town of Hingham
 Town Treasurer
 210 Central Street
 Hingham, MA 02043

TELEPHONE: (516) 570-0340

FACSIMILE: (516) 487-2575

TOWN OF HINGHAM, MASSACHUSETTS

\$10,825,426
 General Obligation Bond Anticipation Notes
 (the "Notes")
 (NON-CALLABLE)

Dated: May 16, 2018

Due: May 16, 2019

	Amount	Interest Rate	Premium	Net Interest Cost*
Bid 1	\$	%	\$	%
Bid 2	\$	%	\$	%
Bid 3	\$	%	\$	%
Bid 4	\$	%	\$	%

Please select one of the following (if no option is selected, the book-entry-only option will be assumed to have been selected by the purchaser):

- Book-Entry-Only registered to Cede & Co.
- Non Book-Entry Registered to Purchaser

*The computation of the net interest cost is made as provided in the above-mentioned Notice of Sale, but does not constitute any part of the foregoing Proposal for the purchase of the Notes therein described.

Signature: _____

Name of Bidder: _____

Address: _____

Telephone (Area Code): _____

Fax (Area Code): _____

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APPENDIX E

PROPOSED FORM OF LEGAL OPINION RELATING TO THE NOTES

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111 Huntington Avenue
Boston, MA 02199
Telephone: 617-239-0100
Fax: 617-227-4420
www.lockelord.com

(Date of Delivery)

Jean M. Montgomery, Treasurer
Town of Hingham
Hingham, Massachusetts

\$10,825,426¹
Town of Hingham, Massachusetts
General Obligation Bond Anticipation Notes
Dated May 16, 2018

We have acted as bond counsel to the Town of Hingham, Massachusetts (the "Town") in connection with the issuance by the Town of the above-referenced notes (the "Notes") dated May 16, 2018 and payable May 16, 2019. In such capacity, we have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion we have relied upon representations and covenants of the Town contained in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on our examination, we are of the opinion, under existing law, as follows:

1. The Notes are valid and binding general obligations of the Town and, except to the extent they are paid from the proceeds of the bonds in anticipation of which they are issued or from any other available moneys, the principal of and interest on the Notes are payable from taxes which may be levied upon all taxable property in the Town, subject to the limit imposed by Chapter 59, Section 21C of the General Laws.

2. Interest on the Note is excluded from the gross income of the owners of the Notes for federal income tax purposes. In addition, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes is included in computing a corporation's adjusted current earnings for taxable years beginning before January 1, 2018. In rendering the opinions set forth in this paragraph, we have assumed compliance by the Town with all requirements of the Internal Revenue Code of 1986, as amended that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. The Town has covenanted to comply with all such requirements. Failure by the Town to comply with certain of such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. We

¹ Preliminary, subject to change.

express no opinion regarding any other federal tax consequences arising with respect to the Notes.

3. Interest on the Notes is exempt from Massachusetts personal income taxes and the Notes are exempt from Massachusetts personal property taxes. We express no opinion regarding any other Massachusetts tax consequences arising with respect to the Notes or any tax consequences arising with respect to the Notes under the laws of any state other than Massachusetts.

This opinion is expressed as of the date hereof, and we neither assume nor undertake any obligation to update, revise, supplement or restate this opinion to reflect any action taken or omitted, or any facts or circumstances or changes in law or in the interpretation thereof, that may hereafter arise or occur, or for any other reason.

The rights of the holders of the Notes and the enforceability of the Notes may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

LOCKE LORD LLP

APPENDIX F

PROPOSED FORM OF SIGNIFICANT EVENTS DISCLOSURE CERTIFICATE

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PROPOSED FORM OF
SIGNIFICANT EVENTS DISCLOSURE CERTIFICATE

This Significant Events Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Town of Hingham, Massachusetts (the “Issuer”) in connection with the issuance of \$10,825,426¹ General Obligation Bond Anticipation Notes dated May 17, 2017 (the “Notes”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Owners of the Notes and in order to assist the Participating Underwriter in complying with the Rule.

SECTION 2. Definitions. For purposes of this Disclosure Certificate the following capitalized terms shall have the following meanings:

“Listed Events” shall mean any of the events listed in Section 3(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board as established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Certificate. Filing information relating to the MSRB is set forth in Exhibit A attached hereto.

“Owners of the Notes” shall mean the registered owners, including beneficial owners, of the Notes.

“Participating Underwriter” shall mean any of the original underwriters of the Notes required to comply with the Rule in connection with offering of the Notes.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Reporting of Significant Events.

(a) The Issuer shall give notice, in accordance with the provisions of this Section 3, of the occurrence of any of the following events with respect to the Notes:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.

¹ Preliminary, subject to change.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes.
7. Modifications to rights of the Owners of the Notes, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the Notes, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.*
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Upon the occurrence of a Listed Event, the Issuer shall, in a timely manner not in excess of ten (10) business days after the occurrence of the event, file a notice of such occurrence with the MSRB.

SECTION 4. Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

* As noted in the Rule, this event is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or (ii) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

SECTION 5. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance or payment in full of all of the Notes.

SECTION 6. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate the sole remedy under this Disclosure Certificate shall be an action for specific performance of the Issuer's obligations hereunder and not for money damages in any amount. Any failure by the Issuer to comply with any provision of this Disclosure Certificate shall not constitute a default with respect to the Notes.

SECTION 7. Amendment. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived if such amendment or waiver is permitted by the Rule, as evidenced by an opinion of counsel expert in federal securities law (which may also include bond counsel to the Issuer) to the effect that such amendment or waiver would not cause this Disclosure Certificate to violate the Rule.

SECTION 8. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Owners of the Notes from time to time, and shall create no rights in any other person or entity.

Date: May ___, 2017

TOWN OF HINGHAM,
MASSACHUSETTS

By _____
Treasurer

Selectmen

[EXHIBIT A: Filing Information for the MSRB]