

A RESOLUTION

TO EXPRESS THE INTENTION OF THE CITY COUNCIL OF THE CITY OF EASLEY, SOUTH CAROLINA, TO CAUSE THE CITY OF EASLEY, SOUTH CAROLINA TO BE REIMBURSED FOR CERTAIN COSTS FOR CERTAIN PUBLIC IMPROVEMENTS WITH THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS.

WHEREAS, the Internal Revenue Service and the U.S. Treasury Department have promulgated Section 1.150-2 of the Treasury Regulations (the “*Regulations*”) which authorizes an issuer to reimburse itself for expenditures made with respect to projects prior to the issuance of tax-exempt obligations for such projects; and

WHEREAS, the City Council (the “*City Council*”) of the City of Easley, South Carolina (the “*City*”), is adopting this Resolution to recite certain facts and intentions prior to the incurrence of certain expenditures and the issuance of tax-exempt obligations; and

WHEREAS, the Regulations require that the governing body of the City or a person designated by the City Council declare an official intent to reimburse an expenditure prior to the incurrence of the expenditure; and

WHEREAS, the City anticipates incurring certain expenditures with respect to the acquisition and equipping of a trash truck, dump truck, and forklift for its public works department and other costs related thereto (collectively, the “*Project*”) prior to the issuance of tax-exempt obligations for such purposes in an aggregate principal amount of approximately \$400,000 (the “*Obligations*”);

NOW, THEREFORE, BE IT RESOLVED by the City Council of City of Easley, South Carolina, as follows:

Section 1. The City Council hereby declares its official intent pursuant to Regulation Section 1.150-2 to be reimbursed from the proceeds of the Obligations for expenditures with respect to the Project which may occur prior to the issuance of the Obligations.

Section 2. To be eligible for reimbursement of any expenditures, the City will allocate the proceeds of any tax-exempt obligations to reimburse such expenditures not later than 18 months after the later of (a) the date on which the original expenditures were paid or (b) the date the Project was placed in service or abandoned, but in no event more than three (3) years after the original expenditures were paid. Expenditures, for purposes of the declaration of official intent and the reimbursement allocation, do not apply to any preliminary expenditures for a project, up to an amount not in excess of 20 percent of the aggregate issue price of the tax-exempt obligations. Preliminary expenditures include architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that were incurred prior to the commencement of acquisition, construction or rehabilitation of any project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

Section 3. Within one year of any allocation made pursuant to Section 2 hereof, funds corresponding to the proceeds of the Obligations will not be used in a manner that results in the creation of replacement proceeds, as defined in Regulation Section 1.148-1, of any tax-exempt obligations. The preceding sentence does not apply to amounts deposited in a bona fide debt service fund, as defined in Regulation Section 1.148-1.

Section 4. The allocation described in Section 2 hereof will not employ an abusive arbitrage device under Regulation Section 1.148-10.

Section 5. Any expenditures to be reimbursed from proceeds of the Obligations will be incurred solely to acquire, construct, or rehabilitate property having a reasonably expected economic life of at least one year.

Section 6. The source of funds for any expenditures with respect to the Project will be capital improvement funds or reserve funds of the City. Any Obligations issued will be paid from tax revenues of the City or other revenues of the City.

Section 7. This Resolution does not obligate the City to issue the Obligations if it determines that such issuance is not in the interests of the City.

Done in meeting duly assembled this 9th day of November 2020.

CITY OF EASLEY, SOUTH CAROLINA

Mayor

ATTEST:

City Clerk

