

A RESOLUTION 09-21-04

TO EXPRESS THE INTENTION OF THE CITY OF HARTSVILLE, TO CAUSE THE CITY TO BE REIMBURSED WITH THE PROCEEDS OF A LEASE PURCHASE FINANCING FOR CERTAIN COSTS ASSOCIATED WITH ACQUISITION AND EQUIPPING OF CERTAIN CAPITAL ITEMS LOCATED IN THE CITY, AND OTHER MATTERS RELATING THERETO.

WHEREAS, the City of Hartsville, South Carolina (the “*City*”) hereby declares its intention to reimburse itself for a portion of the original expenditures of the acquisition and equipping of certain capital items, including law enforcement vehicles, parks and recreation equipment, a golf cart, a garbage truck, a new roof for the police station and a parking facility for the fire department (collectively, the “*Capital Items*”) with the proceeds of a lease purchase financing to be entered into by the City and a financial institution (the “*Financing*”), in a maximum aggregate principal amount reasonably expected not to exceed \$700,000;

NOW, THEREFORE, be it resolved by the City Council of the City of Hartsville, and it is hereby determined and declared and resolved by the same, as follows:

(a) no funds from any sources other than the Financing may be, are, or are reasonably expected to be, reserved, allocated on a long-term basis or otherwise set aside by the City pursuant to the budget or financial policies of the City for the financing of the portion of the costs of acquisition and equipping of the Capital Items to be funded with the Financing;

(b) the City reasonably expects that all or a portion of the original expenditures incurred for the Capital Items and the consummation of the Financing will be paid prior to the date of closing of the Financing;

(c) the City intends and reasonably expects to reimburse itself for all such expenditures paid by it with respect to the Capital Items prior to the closing of the Financing, from the proceeds of the Financing, and such intention is consistent with the budgetary and financial circumstances of the City;

(d) the City intends and reasonably expects to reimburse itself for all such expenditures no later than 18 months after the later of (i) the date the original expenditure is paid, or (ii) the date the Capital Items is placed in service or abandoned for federal income tax purposes, but in no event more than 3 years after the original expenditure is paid;

(e) all of the costs to be paid or reimbursed from the proceeds of the Financing, will be for costs incurred in connection with the closing of the Financing or will, at the time of payment thereof, be properly chargeable to the capital account of the Capital Items (or would be so chargeable with a proper election) under general federal income tax principles; and

(f) this Resolution shall constitute a declaration of official intent under United States Department of the Treasury Regulation Section 1.150-2.

DONE, RATIFIED AND ADOPTED this 14th day of September 2021.

**CITY OF HARTSVILLE,
SOUTH CAROLINA**

(SEAL)

Carl M. (Mel) Pennington, IV, Mayor

Attest:

Sherron L. Skipper, City Clerk