

RESOLUTION NO. \_\_\_\_

(Fire Substation)

RELATING TO THE DECLARATION OF INTENT BY THE CITY OF CLEMSON, SOUTH CAROLINA, TO REIMBURSE CERTAIN EXPENDITURES MADE PRIOR TO THE ISSUANCE OF FEDERALLY TAX-EXEMPT GENERAL OBLIGATION BONDS OR OTHER OBLIGATIONS BY THE CITY.

WHEREAS, the Internal Revenue Service and U.S. Treasury Department have promulgated Section 1.150-2 of the Treasury Regulations (the "Regulations") that 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 Regulations require that the governing body of the political subdivision declare an official intent to reimburse an expenditure not later than sixty (60) days after the payment of the expenditure; and

WHEREAS, the City of Clemson, South Carolina (the "City"), anticipates incurring certain expenditures in an approximate amount of \$150,000 or ten percent (10%) of the project cost (the "Expenditures") with respect to costs of architectural and engineer services for the design and construction of a fire substation (the "Project"), prior to the issuance of general obligation bonds or other obligations by the City for such purpose; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council (the "Council") of the City:

Section 1. The Council hereby declares that this Resolution shall constitute its declaration of official intent pursuant to Regulation § 1.150-2 to reimburse the City from the proceeds of federally tax-exempt obligation in the form of general obligation bonds of the City, or other form of tax-exempt financing approved by City ordinance, for the Project.

Section 2. The City understands that Expenditures which may be reimbursed are limited to Expenditures which are (a) properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Regulation §1-150-2) under general federal income tax principles; or (b) certain de minimis or preliminary expenditures satisfying the requirements of Regulation §1.150-2(f).

Section 3. The source of funds for the Expenditures with respect to the Project will be the City's general fund.

Section 4. To be eligible for reimbursement of the Expenditures, the reimbursement allocation must be made not later than 18 months after the later of (a) the date on which the Expenditures were paid, or (b) the date the Project was placed in service, but in no event more than three (3) years after the original Expenditures.

Section 5. This Resolution shall be in full force and effect from and after its adoption as provided by law. This Resolution shall be made available for inspection during normal business hours by the general public at the office of the City.

[Execution Page Follows]

Adopted by the City Council of the City of Clemson, South Carolina, this 20<sup>th</sup> day of July, 2015.

CITY OF CLEMSON, SOUTH CAROLINA

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Mayor

(SEAL)

ATTEST:

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City Administrator