

**RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LAUREL,
MISSISSIPPI AUTHORIZING AND APPROVING THE FORM AND EXECUTION OF
AN EQUIPMENT LEASE-PURCHASE AGREEMENT WITH REGIONS EQUIPMENT
FINANCE CORPORATION (“AGREEMENT”) FOR THE PURPOSE OF LEASE-
PURCHASING CERTAIN EQUIPMENT AND DESIGNATING THE AGREEMENT AS
BANK-QUALIFIED, TAX EXEMPT**

WHEREAS, on December 4, 2018, the Mayor and City Council (“Governing Body”) of the City of Laurel, Mississippi (“City” or “Lessee”), approved the purchase of the following equipment for the Fire Department:

- One (1) Caterpillar 420F2 Backhoe; one (1) Caterpillar Excavator 304E2; and,
one (1) Kubota tractor with attachment;

WHEREAS, in connection with said purchase, on December 10, 2018, the City received at least two (2) lease-purchase finance proposals from local lending institutions;

WHEREAS, the City accepts the proposal from Regions Equipment Finance Corporation of five (5) years at an annual interest rate of 3.11%; and

WHEREAS, the Governing Body of the City, acting for and on behalf of the Lessee hereby finds, determines and adjudicates as follows:

1. The Lessee desires to enter into an Equipment Lease-Purchase Agreement with Regions Equipment Finance Corporation (“Lessor”) substantially in the same form as attached hereto as Exhibit “A” (the “Agreement”) for the purpose of purchasing the equipment as described therein for the total cost specified therein (collectively, the “Equipment”);
2. The Lessee is authorized pursuant to Section 31-7-13(e) of the Mississippi Code of 1972, as amended, to acquire the Equipment by lease-purchase agreement and pay interest thereon by contract for a term not to exceed five (5) years;
3. It is in the best interest of the residents served by Lessee that the Lessee acquire the Equipment pursuant to and in accordance with the terms of the Agreement; and
4. The Lessee desires to designate the Agreement as qualified tax-exempt obligations of Lessee for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986 (the “Code”).

NOW, THEREFORE, BE IT RESOLVED by the Governing Body for and on behalf of the City, as Lessee, as follows:

Section 1. The Governing Body for the City hereby approves Regions Equipment Finance Corporation to finance the total sum of Equipment in the Agreement of Two Hundred Fifty-Eight Thousand Six Hundred Eighty-Six Dollars and Eighty-One Cents (\$258,686.81) at the annual

interest rate of 3.11% for a period of five (5) years for the financing of the Equipment, as specified in the Agreement.

Section 2. The Agreement and exhibits attached in substantially the same form hereto as Exhibit “A,” by and between Lessor and Lessee are hereby approved and the Mayor and City Clerk are hereby authorized and directed to execute the Agreement and all documents related thereto on behalf of Lessee with such completions, changes, insertions and modifications as shall be approved by said officers executing and delivering the same, and the execution thereof shall constitute conclusive evidence of approval of any such completions, changes, insertions and modifications.

Section 3. Neither any portion of the gross proceeds of the Agreement nor the Equipment identified in the Agreement shall be used (directly or indirectly) in a trade or business carried on by any person other than a governmental unit, except for such use a member of the general public.

Section 4. No portion of the rental payments identified in the Agreement (a) are secured, directly or indirectly, by property used or to be used in a trade or business carried on by a person other than a governmental unit, except for such use as a member of the general public, or by payments in respect to such property; or (b) are to be derived from payments (whether or not to Lessee) in respect of property or borrowed money used or to be used for a trade or business carried on by any person other than a governmental unit.

Section 5. No portion of the gross proceeds of the Agreement are used (directly or indirectly) to make or finance loans to persons other than governmental units.

Section 6. Lessee hereby designates the Agreement as qualified tax-exempt obligations for purposes of Section 265(b) of the Code.

Section 7. In the calendar year 2018, Lessee has designated or will designate \$1,287,704.81 in tax-exempt obligations (including the Agreement) as qualified tax-exempt obligations. Including the Agreement herein so designated, Lessee will not designate more than \$10,000,000 of obligations issued during the calendar year 2018 as qualified tax-exempt obligations.

Section 8. For purposes of this resolution, the amount of tax-exempt obligations stated as either issued or designated as qualified tax-exempt obligations includes tax-exempt obligations issued by all entities deriving their issuing authority from Lessee or by an entity subject to substantial control by Lessee, as provided in Section 265(b)(3)(E) of the Code.

Section 9. While the City reasonably expects that the transaction describe in this Resolution is not subject to Section 148(f) of the Code ("Rebate"), it hereby covenants that it shall make, or cause to be made, the rebate required by Rebate in the manner described in Regulation §§1.148-1 through 1.148-11, as such regulations and statutory provisions may be modified insofar as they apply to the Bonds, and authorizes the Mayor and City Clerk to take actions necessary to ensure the payment of Rebate.

Section 10. The Mayor and City Clerk are further authorized for and on behalf of the Governing Body of the City to do all things in furtherance of the obligations of the Lessee pursuant to the Agreement, including the execution and delivery of all other documents necessary or appropriate to carry out the transactions contemplated thereby and herein in accordance with the terms and provisions thereof.

Section 11. The Governing Authority reasonably expects that a portion of the cost of the Equipment in the maximum amount set forth below will be reimbursed from the proceeds of the Agreement. This Resolution is being adopted as required by and in order to comply with the "Reimbursement Rules" set forth in the Internal Revenue Code of 1986 and the rules and regulations promulgated thereunder including specifically Internal Revenue Code Regulation 1.150-2 and appearing at 58 Federal Register 33510 and with the laws of the State of Mississippi. The Governing Body reasonably expects to make the reimbursement allocation from the proceeds of the Agreement to the respective fund or accounts of the City from which the capital expenditures have been made no later than eighteen (18) months after the later of the date of the expenditure or the date that the Equipment is placed in service, but in no event more than three (3) years after the date of the first expenditure.

Section 12. The Governing Body herein employs the law firm of Butler Snow LLP, Ridgeland, Mississippi, as special tax counsel and authorizes it to prepare the necessary resolutions and documents for it to deliver its opinion related to the tax exempt status of the Lease. The Mayor and City Clerk are hereby authorized to execute an engagement letter to effectuate the provisions of this Section.

Motion was made by Councilperson Wheat, and seconded by Councilperson Capers, that the foregoing Resolution be adopted.

Upon roll call vote, the result was as follows:

YEAS: Capers, Wheat, Thaxton, Carmichael, S. Comegys, T. Comegys, Page

NAYS: None

ABSTAINING: None

ABSENT: None

The President thereupon declared the motion carried and the Resolution adopted, this the 18th day of December, A.D., 2018.

President of the Council

ATTESTED AND SUBMITTED TO THE MAYOR BY THE CLERK OF THE COUNCIL ON

_____.

CLERK OF THE COUNCIL

APPROVED () DATE_____

VETOED () DATE_____

MAYOR

ATTEST:

CITY CLERK

* * * * *

Min. of 12/18/18; Min. Bk.101; Page _____; Agn. Itm. No. 4Q

EXHIBIT A
FORM OF EQUIPMENT LEASE-PURCHASE AGREEMENT