

RESOLUTION NO. ____

City of Rock Hill, South Carolina

RELATING TO THE DECLARATION OF INTENT BY THE CITY OF ROCK HILL, SOUTH CAROLINA, TO REIMBURSE CERTAIN EXPENDITURES PRIOR TO THE ISSUANCE BY THE CITY OF ITS TAX INCREMENT BONDS OR OTHER OBLIGATIONS.

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 bonds 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 Rock Hill, South Carolina (the "City") anticipates incurring certain expenditures in an amount not to exceed \$500,000 (the "Expenditures") with respect to environmental assessment and abatement (the "Project") at the property commonly known as the Bleachery, prior to the issuance by the City of tax-exempt tax increment bonds or other obligations for such purposes.

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

Section 1. The City 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 tax-exempt debt in the form of tax increment bonds of the City to be issued pursuant to Title 31, Chapter 6, Code of Laws of South Carolina 1976, as amended, or other form of taxable or tax-exempt financing approved by City ordinance for Expenditures with respect to the Projects.

Section 2. The City understands that Expenditures which may be reimbursed are limited to Expenditures which are (a) properly chargeable to 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 (2) certain de minimis or preliminary expenditures satisfying the requirements of Regulation §1.150-2(f).

Section 3. 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 dates the respective Projects were placed in service, but in no event more than three (3) years after the original Expenditures.

Section 4. The source of funds for the Expenditures with respect to the Projects will be the City's general funds.

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 Municipal Clerk of the City.

[Signature Page Follows]

Adopted in a meeting duly assembled this 25th day of October, 2010.

CITY OF ROCK HILL, SOUTH CAROLINA

Mayor

ATTEST:

Municipal Clerk