

RESOLUTION NO. _____
(City of Rock Hill, South Carolina - General Obligation Bonds)

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 GENERAL OBLIGATION BONDS.

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 approximate amount of \$8,000,000 (the "Expenditures") with respect to the construction of an Operations Center for the City's Utilities, Public Works and Warehouse/Purchasing Departments (the "Project"), prior to the issuance by the City of tax-exempt bonds 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 general obligation bonds of the City to be issued pursuant to Title 5, Chapter 21, Article 5, of the Code of Laws of South Carolina, 1976, as amended, for Expenditures with respect to the Project.

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 (b) 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 Project will be the City's general fund.

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 11th day of April, 2011.

CITY OF ROCK HILL, SOUTH CAROLINA

Mayor

ATTEST:

Municipal Clerk