
CITY OF ROCK HILL, SOUTH CAROLINA

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE CITY OF ROCK HILL, SOUTH CAROLINA ("CITY") TO CAUSE THE ROCK HILL CYCLING FACILITIES CORPORATION ("CORPORATION"), A SOUTH CAROLINA NONPROFIT CORPORATION, TO BE ORGANIZED; AUTHORIZING THE ISSUANCE OF CERTAIN OBLIGATIONS BY THE CORPORATION ON BEHALF OF THE CITY; AUTHORIZING THE DESIGNATION OF CERTAIN OF THE OBLIGATIONS AS RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009; AUTHORIZING THE CITY TO PURCHASE OR OTHERWISE ACQUIRE CERTAIN REAL PROPERTY; AUTHORIZING THE CITY TO ENTER INTO A BASE LEASE, CYCLING FACILITIES LEASE AGREEMENT, DEVELOPMENT AGREEMENT, PROJECT MANAGEMENT AGREEMENT AND CYCLING FACILITIES MANAGEMENT AGREEMENT WITH THE CORPORATION TO FACILITATE THE ACQUISITION, CONSTRUCTION, INSTALLATION, EQUIPPING, OPERATION AND USE OF CERTAIN CYCLING FACILITIES LOCATED WITHIN THE CITY; AUTHORIZING THE ASSIGNMENT OF CERTAIN CONTRACTS RELATING TO THE CONSTRUCTION OF THE CYCLING FACILITIES TO THE CORPORATION; AUTHORIZING THE EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS RELATING THERETO; AUTHORIZING THE MAYOR AND THE CITY MANAGER TO APPROVE AND ENTER INTO NECESSARY AGREEMENTS AND TO DETERMINE CERTAIN MATTERS; AND OTHER MATTERS RELATING TO THE FOREGOING.

Enacted: December 13, 2010

BE IT ORDAINED, BY THE CITY COUNCIL OF THE CITY OF ROCK HILL, SOUTH CAROLINA, AS FOLLOWS:

Section 1. Definitions. The terms defined in this Section for all purposes of this Ordinance shall have the respective meanings as set forth in this Section. The term:

“2005 COPS” means the Rock Hill Public Facilities Corporation \$11,925,000 original principal amount Certificates of Participation, (Hospitality Fee Pledge) Series 2005, dated March 1, 2005.

“2005 Installment Sale Agreement” means the Installment Sale Agreement between the City and Rock Hill Public Facilities Corporation dated as of March 1, 2005.

“2008 Project Lease” means the Project Lease Agreement between Branch Banking and Trust Company, as lessor, and the City, as lessee, dated August 28, 2008, in connection with the City’s \$3,550,000 original principal amount lease-purchase financing.

“Allocation Resolution” means Resolution No. 7 of the City, adopted by Council July 26, 2010.

“Base Lease” means the Base Lease between the City and the Corporation to be dated as of the date of its delivery.

“City” means the City of Rock Hill, South Carolina.

“Corporation” means Rock Hill Cycling Facilities Corporation, a nonprofit corporation organized or to be organized under South Carolina Code Sections 33-31-101 *et seq.*

“Council” means the City Council of the City of Rock Hill, South Carolina.

“County” means York County, South Carolina.

“Cycling Facilities” means, collectively, the velodrome cycling facility to be acquired, constructed and installed on the Land as approximately shown on Exhibit A hereto, together with all related personal property and infrastructure improvements on the Land, including, but not limited to, utilities, roadways, parking surfaces and other infrastructure related to the velodrome cycling facility.

“Cycling Facilities Lease” means the Cycling Facilities Lease between the City and the Corporation to be dated as of the date of its delivery.

“Cycling Facilities Management Agreement” means the Cycling Facilities Management Agreement between the City and the Corporation dated as of the date of its delivery.

“Development Agreement” means the Development Agreement between the City and the Corporation to be dated as of the date of its delivery.

“Hospitality Fee” means the local Hospitality Fee imposed by the City pursuant to South Carolina Code Sections 6-1-700 to 6-1-770 and the Hospitality Fee Ordinance, which is equal to two percent (2%) on the gross proceeds of the sale of all prepared meals and beverages served within the City by an establishment, including prepared foods and beverages sold in establishments licensed for the consumption of alcoholic beverages, beer or wine within the City.

“Hospitality Fee Ordinance” means Ordinance No. 2002-46 enacted by Council on August 12, 2002, which imposed the Hospitality Fee.

“Land” means certain real property identified as “Tract ‘B’” upon plat of survey of Pittman Professional Land Surveying, a copy of which is attached as Exhibit B hereto.

“Lender” means Carolina First Community Development Corporation.

“Notes” means, collectively, the A1 Note, A2 Note and B Note (each as more fully described in Section 2(p)(3) hereof) made by the Corporation to the Lender evidencing the loan or loans made by the Lender to the Corporation for the Project as described in this Ordinance.

“Ordinance” means this Ordinance of the City.

“Project” means the acquisition, construction, installation and equipping of the Cycling Facilities.

“Property” means, collectively, the Land and the Cycling Facilities.

“Project Management Agreement” means the Project Management Agreement between the City and the Corporation to be dated as of the date of its delivery.

“South Carolina Code” shall mean South Carolina Code of Laws 1976, as amended.

“State” shall mean the State of South Carolina.

Section 2. Findings and Determinations. The Council hereby finds and determines:

(a) The City is an incorporated municipality located in York County, South Carolina, and as such possesses all powers granted to municipalities by the Constitution and laws of this State.

(b) Section 5-7-30 of the South Carolina Code provides, in part, that municipalities may enact ordinances, not inconsistent with the Constitution and general law of the State, respecting any subject which appears necessary and proper for the security, general welfare, and convenience of the municipality, and further, under the case of Williams v. Town of Hilton Head, 429 S.E.2d 802 (1993) a municipality may enact regulations (ordinances) without the requirement for further specific statutory authorization so long as such regulations are not inconsistent with the Constitution and general law of the State. Further, Section 5-7-40 of the South Carolina Code empowers all municipalities to own and possess real and personal property.

(c) Section 5-7-40 of the South Carolina Code provides that the City may, upon such terms and conditions as the Council deems advisable, sell, alien, convey, lease or otherwise dispose of real and personal property.

(d) Pursuant to the authorization granted by the General Assembly to municipalities in Sections 6-1-700 to 6-1-770 of the South Carolina Code (the "Act"), the City Council imposed the Hospitality Fee. While the General Assembly utilized the words "local hospitality tax" in the Act as a means by which to designate the charge authorized to be imposed on the sales of prepared meals and beverages, it was the intent of the City Council to impose such charges as fees pursuant to the provisions of the Hospitality Fee Ordinance.

(e) It is a well established principle of South Carolina law that the use of a particular word is not determinative of its characterization. Jackson v. Breeland, 88 S.E. 128, 103 S.C. 184 (1915). As set forth in Brown v. County of Horry, 417 S.E.2d 565, 308 S.C. 180 (1992), the factors that are of paramount importance to the analysis of whether a charge constitutes a "tax" or a "fee" are the following: (i) the purpose behind its imposition; (ii) the intended portion of the community that will be charged; and (iii) the dedication of the sums so collected to the purpose for which it is charged. The Council finds that its actions in imposing the Hospitality Fee and segregating the collections received from such fees in order that such sums be utilized according to the Act meet the test enunciated in Brown such that the charges imposed pursuant to the provisions of the Hospitality Fee Ordinance constitute fees.

(f) A dynamic tourism industry fosters and enhances the economic growth and well being of a community and its residents. Tourism, and particularly tourism related to athletics and other recreational activities, has been and continues to be a growing industry for the City. The City is initiating efforts to promote tourism to the City and to the City's facilities and attractions. Moreover, as the City's tourism industry grows and expands, the City must make provision to increase municipal services and facilities in order to accommodate the needs of tourists and to attract additional tourism. Tourists enjoy and utilize the special benefits which the City provides.

(g) In furtherance of the City's efforts to promote tourism, the City intends to effect the development of the Cycling Facilities through, among other things, the creation of the Corporation, the issuance of the Notes by the Corporation to the Lender, the utilization of New Markets Tax Credits available under Section 45D of the Code, the designation of certain of the Notes as RZEDBs under the ARRA (as such terms are defined below), and the execution and delivery of various agreements and certificates related thereto.

(h) The Council has been advised and recognizes that Hospitality Fees must be used exclusively for certain purposes, including tourism-related recreational facilities. The construction and renovation of the Cycling Facilities will promote additional tourism to the City by attracting competitive and recreational cyclists and cycling events to the City. Area businesses will benefit from the influx of tourists coming to the City to attend and participate in events held at the Cycling Facilities.

(i) The City has heretofore pledged the Hospitality Fees to the payment of Base Fee Payments and Additional Fee Payments under the 2005 Installment Sale Agreement in connection with the issuance of the 2005 COPS. Further, the City has previously entered into the 2008 Project Lease which provides for the payment of Lease Rentals (as defined therein) from Hospitality Fees, subject to annual appropriation thereof by the City. The 2005 Installment Sale agreement provides that, upon compliance with certain conditions set forth therein, the City may issue "Other Obligations" secured by a pledge of Hospitality Fees on a parity with the pledge thereof securing payment of amounts due under the 2005 Installment Sale Agreement in connection with the 2005 COPS. "Other Obligations" are defined in the 2005 Installment Sale Agreement as any obligation of the City constituting indebtedness under generally accepted accounting principles, and any other payment obligation with established or fixed annual or periodic payments, for the payment of which Hospitality Fees have been or are to be pledged. The Cycling Facilities Lease will not constitute an "Other Obligation" (within the meaning of the 2005 Installment Sale Agreement) because Hospitality Fees are not pledged for the payment of amounts due under the Cycling Facilities Lease. Payments under the Cycling Facilities Lease from Hospitality Fees will be subject to annual appropriation thereof by the City.

(j) The Base Lease and the Cycling Facilities Lease do not provide for: (1) payments thereunder to be divided into principal and interest components or contain any reference to any portion of any payments thereunder being treated as interest; or (2) title to the Property to be in the name of or to be transferred to the City only if all payments scheduled or provided for therein are made. Further, the Cycling Facilities Lease provides for payments thereunder by the City to be paid from Hospitality Fees, subject to annual appropriation by the City. As such, neither the Base Lease nor the Cycling Facilities Lease are intended to constitute a "financing agreement", but rather, the Cycling Facilities Lease is intended to constitute an "enterprise financing agreement", under Section 11-27-110 of the South Carolina Code. The City anticipates that revenues from the Hospitality Fee will be sufficient to pay the amounts due under the Cycling Facilities Lease.

(k) Section 1401 of Title I of Division B of the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009) (the "ARRA"), added Sections 1400U-1 and 1400U-2 to the Internal Revenue Code of 1986, as amended (the "Code"), authorizing states,

political subdivisions as defined for purposes of § 103 of the Code, and entities empowered to issue bonds on behalf of any such entity under rules similar to those for determining whether a bond issued on behalf of a state or political subdivision constitutes an obligation of that state or political subdivision for purposes of § 103 and § 1.103-1(b) of the Income Tax Regulations (“eligible issuers”) to issue Recovery Zone Economic Development Bonds (“RZEDBs”) prior to January 1, 2011, subject to a national volume limitation (the “Volume Cap”) of \$10 billion. The Volume Cap for RZEDBs was allocated among the states and counties and large municipalities within the states based on relative declines in employment in 2008. The State’s Volume Cap allocation was \$115,041,000.

(l) Section 15 of South Carolina bill number H4478, signed into law by Governor Sanford on June 23, 2010 (the “South Carolina Volume Cap Allocation Act”) provides a method for waiver of Volume Cap by counties and large municipalities within the State, and reallocation of such Volume Cap to eligible issuers within the State by the South Carolina Budget & Control Board or its designee (the “Board”), to increase the likelihood that the Volume Cap allocated in aggregate to the State will be utilized prior to January 1, 2011. In accordance with the South Carolina Volume Cap Allocation Act, the City adopted the Allocation Resolution which approved the submission of an application by the City to the Board seeking \$4,500,000 in RZEDB Volume Cap allocation for obligations to be issued in order to defray, in whole or in part, the cost of the Project. Further, in accordance with the South Carolina Volume Cap Act, the Board made an allocation of Volume Cap in the amount of \$4,500,000 to the City for the Project, which allocation is evidenced by Certificate of the Board submitted to the City dated September 29, 2010.

(m) Among other requirements for the issuance of RZEDBs, such bonds must be issued for purposes of promoting economic development or other economic activity in a “recovery zone” (as defined in Section 1400U-1(b) of the ARRA), including (1) capital expenditures paid or incurred with respect to property located in the recovery zone, and (2) expenditures for public infrastructure and construction of public facilities. Pursuant to a resolution adopted by the County Council of the County on April 19, 2010, the entire geographic area of the County has been designated as a “recovery zone”.

(n) One or more RZEDBs may be issued by or on behalf of the City, up to a total amount of \$4,500,000, in connection with the Project, if: (1) such obligation or obligations would otherwise be issuable as one or more “Build America Bonds” under the ARRA; (2) the obligation or obligations are issued before January 1, 2011; (3) 100% of the excess of (i) the available project proceeds (as defined in § 54A of the Code to mean sale proceeds of such issue less not more than 2% of such proceeds used to pay issuance costs, plus investment proceeds thereon), over (ii) the amounts in a reasonably required reserve (within the meaning of § 150(a)(3) of the Code) with respect to such issue, are to be used for one or more qualified economic development purposes; and (4) the issuer designates such bond or bonds for purposes of § 1400U-2 of the Code. RZEDBs are taxable obligations which provide a refundable tax credit to the issuer in an amount equal to 45% of the interest payable to investors in such obligations.

(o) Internal Revenue Service Notice 2009-50 provides that eligible issuers of RZEDBs include political subdivisions as defined for purposes of § 103 of the Code, and entities empowered

to issue bonds on behalf of any such entity under rules similar to those for determining whether a bond issued on behalf of a state or political subdivision constitutes an obligation of that state or political subdivision for purposes of §103 and 1.103-1(b) of applicable federal income tax regulations.

(p) In order to undertake the Project, the City finds that it is necessary and in the best interest of the City for the following activities to be undertaken:

(1) The City will acquire by purchase title to the Land, and will lease the Property to the Corporation pursuant to the Base Lease. The purchase price to be paid by the City for the Land shall be determined by the Mayor and the City Manager. If necessary, funds for the purchase price for the Land may be obtained through an advance rental payment under the Base Lease from the Corporation to the City, payable upon the date of its delivery, and the acquisition of the Land shall be in accordance with an appropriate purchase contract, the terms of which shall be approved by the Mayor and the City Manager, either acting alone or together, the execution of such purchase contract by either of the Mayor or the City Manager to constitute evidence of such approval.

(2) The anticipated cost of the Project, including the acquisition of the Land, is not less than \$5,000,000. The City will enter into the Development Agreement with the Corporation whereby the Corporation will agree to undertake the financing and development of the Project.

(3) The Corporation will execute and deliver the Notes in an aggregate principal amount of not exceeding \$5,000,000 to the Lender in exchange for funds necessary to defray a portion of the cost of the Project. The financing of the Project shall be accomplished, in part, through: (A) a loan from the Lender to the Corporation in the approximate amount of \$3,780,000, evidenced by a promissory note made by the Corporation to the Lender (“A1 Note”); (B) a loan from the Lender to the Corporation in the approximate amount of \$20,000 evidenced by a promissory note made by the Corporation to the Lender (“A2 Note”) and (C) a loan from the Lender to the Corporation in the approximate amount of \$1,200,000 evidenced by a promissory note made by the Corporation to the Lender (“B Note”).

(4) Pursuant to this Ordinance, the A1 Note shall be designated as an RZEDB under § 1400U-2 of the Code.

(5) The City will enter into the Cycling Facilities Lease with the Corporation whereby the City will lease the Property from the Corporation. Payments made by the City to the Corporation pursuant to the Cycling Facilities Lease (the “Payments”) shall: (a) not be divided into principal and interest components; (b) be in an amount sufficient to enable the Corporation to make payments to the Lender under the Notes, and to pay any other expenses incurred in connection with the Project; and (c) be made from annually appropriated Hospitality Fees. Fee title to the Property shall remain with the City, subject to the Corporation’s leasehold interest therein.

(6) The City will enter into the Project Management Agreement with the Corporation whereby the City will agree to manage the acquisition, construction and installation of the Cycling Facilities.

(7) The City will enter into the Cycling Facilities Management Agreement with the Corporation, whereby the City will agree to manage and operate, or to contract with a third party for the management and operation of, the Property.

(8) The Notes will be secured by, among other things, a pledge of the Payments received by the Corporation from the City pursuant to the Cycling Facilities Lease to the Lender, and the granting of a leasehold mortgage of the Corporation's leasehold interest in the Property which it obtained pursuant to the Base Lease to the Lender.

(q) The Council finds that: (1) the Project; (2) the execution and delivery of the: (A) Base Lease, (B) Cycling Facilities Lease, (C) Development Agreement, (D) Project Management Agreement, (E) Cycling Facilities Management Agreement and (E) all related documents; and (3) the use of Hospitality Fees to make the Payments required under the Cycling Facilities Lease, all will serve a proper public and corporate purpose of the City, and are necessary and in the best interest of the City.

Section 3. Approval of Organization of Corporation and Issuance of Notes. The organization of the Corporation as a non-profit corporation under S.C. Code Ann. § 33-31-101 *et seq.*, and the making of the Notes by the Corporation to the Lender on behalf of the City in accordance with the guidelines established under Internal Revenue Service Revenue Procedure 82-26 in furtherance of the financing of the Project as described in this Ordinance are hereby approved. The purposes of the Corporation as described in the organizational documents attached as Exhibit C hereto, and the activities of the Corporation contemplated by this Ordinance, are hereby approved and ratified.

Section 4. Approval of Designation of A1 Note as RZEDB and Allocation of Volume Cap. The City hereby (a) elects to designate the A1 Note as an RZEDB under Section 1400U-2(b) of the ARRA, (b) authorizes the sub-allocation to the Corporation (as an entity that is empowered to issue bonds on behalf of the City under applicable federal income tax rules, as permitted by IRS Notice 2009-50) of the \$4,500,000 Volume Cap allocation received by the City for the Project; and (c) authorizes the execution and delivery to the Internal Revenue Service or any other applicable federal or state governmental department, agency or authority such designations and other forms as may be necessary to effectively make and receive the financial benefits of such election as described herein.

Section 5. Designation of the Property as a Recovery Zone, and Determination of Qualified Economic Development Purpose; Davis-Bacon Labor Standards. To the extent required by applicable provisions of the ARRA, the City hereby designates the entire City, including the Project site, as a "recovery zone" within the meaning of the ARRA. Such designation is not intended to contradict, but rather complement, the County's prior designation of the entire County as a recovery zone. Further, the City finds that the expenditure of proceeds from the issuance of the

Notes will be used for a qualified economic development purpose under Section 1400U-2(c) of the ARRA because such expenditures will constitute capital expenditures paid or incurred with respect to property located in a recovery zone (e.g., the Project). Further, the City acknowledges that construction of the Project must be in compliance with applicable Davis-Bacon labor standards under 40 U.S.C. 276(a).

Section 6. New Markets Tax Credits. The City acknowledges and approves the structure of financing for the Project to enable the Lender to utilize New Markets Tax Credits available under Section 45(D) of the Code for a portion of the financing thereof. In furtherance thereof, the City acknowledges that it does not intend to terminate the Base Lease or otherwise cause the principal amounts of the Notes to be repaid prior to the date which is seven (7) years following the date of execution and delivery of the Notes.

Section 7. Approval of Base Lease and Cycling Facilities Lease. The Mayor and the City Manager, or either of them acting alone, are hereby authorized, empowered and directed to execute, acknowledge and deliver the Base Lease and the Cycling Facilities Lease in the name and on behalf of the City, and thereupon to cause each of the Base Lease and the Cycling Facilities Lease to be delivered to the Corporation and to cause the Base Lease and the Cycling Facilities Lease (or memoranda thereof) to be recorded in the office of the Register of Deeds office of the County. The Base Lease and the Cycling Facilities Lease shall be in substantially the forms attached hereto as Exhibit D and Exhibit E, respectively, incorporated herein by reference, with such changes thereto (including, but not limited to, changes to the amount or frequency of Lease Payments as set forth therein) as may be approved by the Mayor or City Manager (with advice from the City's Attorney), the Mayor's or City Manager's execution thereof to constitute conclusive evidence of such approval. Any subsequent amendments to the Base Lease or the Cycling Facilities Lease, in such forms as shall be approved by the Mayor and the City Manager, or either of them acting alone, are hereby approved, and shall be executed in the same manner.

Section 8. Approval of Development Agreement, Project Management Agreement and Cycling Facilities Management Agreement. The Mayor and the City Manager, or either of them acting alone, are hereby authorized, empowered and directed to execute, acknowledge and deliver a Development Agreement, a Project Management Agreement and a Cycling Facilities Management Agreement, in the name and on behalf of the City, and thereupon to cause such Development Agreement, Project Management Agreement and Cycling Facilities Management Agreement to be delivered to the Corporation. The Development Agreement, the Project Management Agreement and the Cycling Facilities Management Agreement shall be in substantially the forms attached hereto as Exhibit F, Exhibit G and Exhibit H, respectively, incorporated herein by reference, with such changes thereto as may be approved by the Mayor or City Manager (with advice from the City's Attorney), the Mayor's or City Manager's execution thereof to constitute conclusive evidence of such approval. Any subsequent amendments to the Development Agreement, the Project Management Agreement and the Cycling Facilities Management Agreement, in such forms as shall be approved by the Mayor and the City Manager, or either of them acting alone, are hereby approved, and shall be executed in the same manner.

Section 9. Approval of Certain Actions and Agreements in Connection with the Financing of the Project. The Mayor and the City Manager, or either of them acting alone, are hereby authorized and empowered to approve any transfers of any capital (which are not included in the general fund of the City) to the Corporation as may be deemed necessary or desirable in order to facilitate the Project (including the financing thereof), and to execute and deliver any documents or agreements as may be deemed necessary or desirable in order to facilitate the Project (including the financing thereof) (the “Project Documents”), including, but not limited to, (a) one or more design, engineering or construction contracts relating to the Project, (b) one or more assignments to the Corporation of any such design, engineering or construction contracts, (c) an Agreement of Landlord, Lender and Borrower, and (d) a Subordination, Non-Disturbance and Attornment Agreement. Such Project Documents shall be in the forms approved by the Mayor or the City Manager, the Mayor’s or the City Manager’s execution thereof to constitute conclusive evidence of such approval.

Section 10. Hospitality Fees. The Payments under the Cycling Facilities Lease are anticipated to be made from the Hospitality Fees received by the City and appropriated for payment thereof by the City, and shall constitute a current expense of the City and shall not in any way be construed as a debt of the City in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the City, nor shall the financing of the Project by the Corporation or the execution and delivery of the Cycling Facilities Lease constitute a pledge of the general tax revenues, fund, moneys or credit of the City. The obligations of the City under the Cycling Facilities Lease shall not constitute a pledge of the full faith, credit or taxing power of the City within the meaning of any State Constitutional or statutory provision.

Section 11. Execution of Documents. The Mayor, the City Manager, the City Clerk and the City Attorney, or any one of them acting alone, are fully empowered and authorized to take such further actions and to execute and deliver such additional agreements, certifications or documents as may be deemed necessary or desirable in order to effectuate the accomplishment of the Project, the organization of the Corporation and the execution and delivery of the Base Lease, the Cycling Facilities Lease, the Development Agreement, the Project Management Agreement, the Cycling Facilities Management Agreement and the Construction Assignments, and the transactions contemplated hereby and thereby, and the action of such officers in executing and delivering any of such documents, in such form as the Mayor and the City Manager, or either of them acting alone, shall approve, is hereby fully authorized. All actions heretofore undertaken by the City Manager, the City Attorney and other City personnel in order to implement the Project are hereby ratified and approved. The Mayor and the City Manager, or either of them acting alone, are further authorized and empowered to execute any subsequent amendments or revisions to any of the agreements, certifications or documents authorized under this Ordinance.

Section 12. Acceptance of Title. The City will retain fee simple title to the Property during the term of the related financing, and will obtain exclusive use and possession of the Property, together with any additions thereto, free from any leasehold interest or encumbrance, upon discharge of the Notes.

Section 13. Severability. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 14. Repeal of Inconsistent Ordinances and Resolutions. All ordinances and resolutions of the City, and any part of any ordinance or resolution, inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

Section 15. Effective Date. This Ordinance shall be effective upon its enactment by the City Council of the City of Rock Hill, South Carolina.

[Execution Page Follows]

Done and enacted by the City Council of the City of Rock Hill, South Carolina, this 13th day of December, 2010.

CITY OF ROCK HILL, SOUTH CAROLINA

(SEAL)

A. Douglas Echols, Jr., Mayor

Susie B. Hinton, Mayor Pro Tempore

ATTEST:

Anne H. Poag
Municipal Clerk

John A. Black, III

Kathy Pender

James C. Reno, Jr.

Osbey Roddey

Kevin Sutton

Date of First Reading: November 8, 2010
Date of Second Reading: December 13, 2010

Exhibit B

Survey

Exhibit C

Organizational Documents of the Corporation

Print Form

NOV 22 2010

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

Mark Hammond
SECRETARY OF STATE OF SOUTH CAROLINA

ARTICLES OF INCORPORATION
Nonprofit Corporation - Domestic
Filing Fee \$25.00

TYPE OR PRINT CLEARLY IN BLACK INK

Pursuant to S.C. Code of Laws §33-31-202, the undersigned corporation submits the following information:

1. The name of the nonprofit corporation is Rock Hill Cycling Facilities Corporation

2. The initial registered office (registered agent's address in SC) of the nonprofit corporation is

155 Johnston Street

Street Address

<u>Rock Hill</u>	<u>York</u>	<u>South Carolina</u>	<u>29730</u>
City	County	State	Zip Code

The name of the registered agent of the nonprofit corporation at that office is

David B. Vehaun

Print Name

I hereby consent to the appointment as registered agent of the corporation.

David B. Vehaun

Agent's Signature

3. Check "a", "b", or "c" whichever is applicable. Check only one box.
- a. The nonprofit corporation is a public benefit corporation.
 - b. The nonprofit corporation is a religious corporation.
 - c. The nonprofit corporation is a mutual benefit corporation.
4. Check "a" or "b", whichever is applicable.
- a. This corporation will have members.
 - b. This corporation will not have members.

5. The address of the principal office of the nonprofit corporation is

155 Johnston Street

Street Address

<u>Rock Hill</u>	<u>York</u>	<u>South Carolina</u>	<u>29730</u>
City	County	State	Zip Code



6. If this nonprofit corporation is either a **public benefit** or **religious corporation** complete either "a" or "b", whichever is applicable, to describe how the remaining assets of the corporation will be distributed upon dissolution of the corporation. **If you are going to apply for 501(c)(3) status, you must complete section "a."**

a. Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future Federal tax code, or shall be distributed to the Federal government, or to a state or local government, for a public purpose. Any such asset not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

If you choose to name a specific 501(c)(3) entity to which the assets should be distributed, please indicate the name of the selected entity.

OR

b. If the dissolved corporation is not described in Section 501(c)(3) of the Internal Code, upon dissolution of the corporation, the assets shall be distributed to one or more public benefit or religious corporations or to one or more of the entities described in (i) above.

If you chose to name a specific public benefit, religious corporation or 501(c)(3) entity to which the assets should be distributed, please indicate the name of the selected entity.

7. If the corporation is a **mutual benefit corporation** complete either "a" or "b", whichever is applicable, to describe how the (remaining) assets of the corporation will be distributed upon dissolution of the corporation.

a. Upon dissolution of the mutual benefit corporation, the (remaining) assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefiting or serving.

b. Upon dissolution of the mutual benefit corporation, the (remaining) assets, consistent with the law, shall be distributed to

8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows (See S.C. Code of Laws §33-31-202(c)).

See Exhibit A attached hereto.

Name of Corporation Rock Hill Cycling Facilities Corporation

9. The name and address of each incorporator is as follows (only one is required, but you may have more than one).

David B. Vehaun	155 Johnston Street, Rock Hill, South Carolina	29730
Name	Address	Zip Code
Name	Address	Zip Code
Name	Address	Zip Code

10. Each original director of the nonprofit corporation must sign the articles but only if the directors are named in these articles.

Name (only if named in articles)	Signature of director
Name (only if named in articles)	Signature of director
Name (only if named in articles)	Signature of director

11. Each incorporator listed in #9 must sign the articles.

David B. Vehaun
Signature of incorporator

Signature of incorporator

Signature of incorporator

12. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date/time is _____

Filing Checklist

- Articles of Incorporation (in duplicate)
- \$25.00 made payable to the South Carolina Secretary of State
- Political Associations must submit a CL-1 Form and an additional \$25 fee
- Self-Addressed, Stamped Return Envelope
- Return all documents to: South Carolina Secretary of State's Office
Attn: Corporate Filings
P.O. Box 11350
Columbia, SC 29211

501(c)(3) Attachment

1. Notwithstanding any other provisions of these articles, the purposes for which the corporation is organized are exclusively religious, charitable, scientific, literary, and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue law.

2. Notwithstanding any other provisions of these articles, this organization shall not carry on any activities not permitted to be carried on by an organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue law.

3. Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future federal tax code, or shall be distributed to the federal government, or to a state or local government for a public purpose. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated for such purposes.

Exhibit A

to

Rock Hill Cycling Facilities Corporation

Articles of Incorporation

The optional provisions which Rock Hill Cycling Facilities Corporation (the "Corporation") elects to include in the articles of incorporation are as follows (see §33-31-202(c) and the applicable comments thereto):

(a) Purposes

(1) The Corporation is not a corporation organized for profit. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributed to, its directors, officers, employees, agents or other private shareholders or persons except that the Corporation shall be authorized to pay reasonable compensation for services rendered.

(2) The purposes for which the Corporation is organized and the business and objectives to be carried on and promoted by the Corporation are as follows:

(A) To assist the City of Rock Hill, South Carolina ("City") by acquiring, developing, selling, donating, contributing, owning, operating, leasing or managing, of real property and improvements thereon in the City ("Facilities"), including, but not limited to, cycling facilities and equipment, for the use and benefit of the City, its citizens and visitors, or by granting to third parties rights of access, use, possession and enjoyment of the Facilities, for the purpose of constructing, operating or managing such Facilities, or any portion thereof, for the use and benefit of the City, its citizens and visitors, and to otherwise take such action as may assist the City as permitted by applicable law.

(B) To carry on or engage in any other activities which the Corporation may deem necessary, proper or convenient with the purposes hereinabove stated; provided however, that the Corporation shall at all times be operated as a nonprofit corporation as provided in the South Carolina Nonprofit Corporation Act of 1994.

(C) To exercise all the rights, privileges, powers, and immunities available to nonprofit corporations under the laws of the State of South Carolina.

Notwithstanding any provision of the Articles of Incorporation to the contrary, all of the assets and earnings of the Corporation shall be used, and all powers of the Corporation shall be exercised, exclusively for the public purposes set forth herein, including the payment of expenses incidental thereto.

(3) The directors of the Corporation shall be the persons who qualify from time to time in the manner specified in the Bylaws of the Corporation.

(4) No amendment shall be made to the Articles of Incorporation or the Bylaws of the Corporation without the approval of the City Council of the City.

BYLAWS
OF
ROCK HILL CYCLING FACILITIES CORPORATION

ARTICLE I
NAME AND OFFICES

Section 1.01. Corporate Name. The name of the Corporation shall be "Rock Hill Cycling Facilities Corporation". The principal office of the Corporation shall be at the location identified in the Corporation's Articles of Incorporation, as such Articles of Incorporation may be amended from time to time. The Corporation may have such other offices, either within or without the State of South Carolina (the "State"), as the Board of Directors may designate or as the business of the Corporation may require from time to time.

Section 1.02. Registered Office. The registered office of the Corporation required by the South Carolina Nonprofit Corporation Act of 1994, as amended (the "Act"), to be maintained in the State shall initially be at the location identified in the Corporation's Articles of Incorporation, and the address of the registered office may be changed from time to time by the Corporation.

ARTICLE II
ORGANIZATION

The Corporation shall be a nonprofit organization (i) established and operated in accordance with the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), and the regulations thereunder, and Sections 12-6-580 and 12-6-1120 of the Code of Laws of South Carolina 1976, as amended (the "South Carolina Code"); and (ii) incorporated under Article 1, Chapter 31, Title 33 of the Act. The Corporation shall be an independent and autonomous organization. Its period of duration shall be perpetual unless terminated in accordance with Article X, infra.

ARTICLE III
PURPOSES AND POWERS

Section 3.01. Corporate Purposes. The Corporation is organized and shall be operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code; provided, however, no part of the net earnings thereof shall inure to the benefit of any private shareholder or individual; provided further, no substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, except to the extent permitted by law; provided further, the Corporation shall not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any activities not permitted to be carried on by (i) an organization described in Internal Revenue Code Section 501(c)(3) or (ii) an organization contributions to which

are deductible under the Internal Revenue Code Section 170(c)(2) or any other corresponding provision of any future United States law. Notwithstanding any other provisions of these Bylaws, the Corporation is organized and operated exclusively for charitable, educational or religious purposes within the meaning of Internal Revenue Code Section 501(c)(3). The Corporation is further authorized to undertake any and all lawful activities necessary or incident to purposes established in Article III of these Bylaws, except as limited in the Corporation's Articles of Incorporation.

Subject to the limitations contained in the Corporation's Articles of Incorporation, the Corporation is organized and shall operate exclusively as a nonprofit corporation to assist and support the City of Rock Hill, South Carolina (the "City") as may be permitted by applicable law (the "Purposes").

Section 3.02. Corporate Powers. The Corporation shall have all powers necessary to advance its Purposes to the extent permitted by applicable law.

Section 3.03. Execution of Corporate Powers. The Corporation is organized and shall operate exclusively for the aforesaid Purposes, and in connection therewith its scope of activities shall include accepting and distributing contributions or donations, and accepting, buying, selling, leasing, subleasing, owning, holding, operating, mortgaging, insuring, pledging, assigning, transferring or otherwise receiving or disposing of real and personal property, and directing or assisting any of its subsidiaries or affiliates, if any, to do the same; provided, however, that any activity authorized by this provision shall not be engaged in any manner which would jeopardize the federal income tax exemption of the Corporation under Section 501(c)(3) of the Internal Revenue Code.

Section 3.04. Discretionary Power of Board of Directors. The Board of Directors may authorize, amend or restate operating guidelines, plans, practices and/or procedures of the Corporation from time to time in order to effectively implement the purposes of the Corporation.

ARTICLE IV

FINANCES

Section 4.01. Acceptance of Funds. The Corporation shall receive funds by collection, receipt of contributions, receipt of loan proceeds, or any other legal means.

Section 4.02. Uses of Funds. All funds collected and received by the Corporation, together with the income therefrom, shall be held, retained, managed and conserved in a capital fund or funds and administered, used and applied by the Corporation in the sole discretion of the Board of Directors in accordance with the purposes described in Article III of these Bylaws, the Corporation's Articles of Incorporation and as provided in Article IV of these Bylaws.

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositaries as approved by the Board of Directors.

Section 4.03. Investment of Funds. Funds received by the Corporation shall be held in an account or accounts in the name of the Corporation in such location(s) as may be designated by the Board of Directors. The Corporation shall hold, manage, invest and reinvest its funds in accordance with the investment policies of the Corporation and shall collect and receive the income therefrom. After deducting all necessary expenses incident to the operation and administration of the Corporation, such funds shall be utilized in accordance with the Purposes set forth in these Bylaws and the Corporation's Articles of Incorporation. The Board of Directors may establish a committee within itself for the purpose of supervising and managing investments. All such revenues received and held by the Corporation shall be distributed to such persons and in such amounts as the Board of Directors of the Corporation shall deem appropriate, in keeping with the Purposes of the Corporation.

Section 4.04. Financial Responsibility. The Corporation shall be the sole entity or person responsible for the application and use of its assets, including payment of its expenses in accordance with such operating guidelines as may be established by the Board of Directors; and it shall operate as an independent and autonomous entity for the purposes of meeting its financial obligations.

Section 4.05. Legal Restriction on Expenditure of Funds. Notwithstanding any other provision of these Bylaws, no expenditure shall be made in any manner or for any purpose whatsoever (i) which may jeopardize the status of the Corporation as an organization under Section 501(c)(3) of the Internal Revenue Code and S.C. Code Ann. § 12-6-580 and the regulations thereunder or (ii) which may jeopardize the status of contributions or dues or payments by any person insofar as concerns deductions which are allowed under the provisions of Sections 170, 2055, 2106 and 2522 of the Internal Revenue Code and the regulations thereunder.

Should the Corporation be or become a Private Foundation under the provisions of Section 509 of the Internal Revenue Code, it shall distribute income for each taxable year at such time and in such manner as not to incur a tax on undistributed income imposed by Section 4942 and related sections of the Internal Revenue Code and the regulations thereunder.

Should the Corporation be or become a Private Foundation under the provisions of Section 509 of the Internal Revenue Code, it shall not (i) engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code and the regulations thereunder; (ii) retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code and the regulations thereunder; (iii) make any investments in such manner as to incur tax liability under Section 4944 of the Internal Revenue Code and the regulations thereunder; or (iv) make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code and the regulations thereunder.

Section 4.06. Annual Audit. The Board of Directors may select an accountant to audit the Corporation's books and accounts at least once a year and prepare a review of financial statements of the Corporation in conformity with generally accepted accounting principles.

Section 4.07. Approval of Legal Documents. Unless otherwise authorized by the Board of Directors, all contracts, leases and agreements or other legal documents shall be approved by resolution or majority vote reflected in the minutes of the Board of Directors and executed and delivered by an officer of the Corporation in the name and on behalf of the Corporation.

Section 4.08. Corporate Indebtedness. Except for loans that are incurred in the ordinary course of business, no loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors or majority vote reflected in the minutes of the meeting. Such authority may be general or confined to specific instances.

Section 4.09. Required Signatures. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers or agent or agents of the Corporation and in such manner as shall from time to time be determined by the Board of Directors.

ARTICLE V BOARD OF DIRECTORS

Section 5.01. General Powers. The business and affairs of the Corporation shall be managed under the direction of its Board of Directors which is vested with the powers and authority to do and perform all acts and functions not inconsistent with law, the Articles of Incorporation of the Corporation and these Bylaws.

Section 5.02. Number, Tenure and Qualifications. The Board of Directors shall initially consist of three (3) members. Except as otherwise provided herein, the members of the Board of Directors of the Corporation shall comprised of the individuals set forth below:

(a) One member of the Board of Directors of the Corporation shall be the City Manager of the City or equivalent thereof unless compelling reasons justify an alternate appointment methodology. Such member so appointed shall serve for the duration of his or her respective term of incumbency as City Manager of the City and until a successor is appointed.

(b) One member of the Board of Directors of the Corporation shall be the Deputy City Manager of the City or equivalent thereof unless compelling reasons justify an alternate appointment methodology. Such member so appointed shall serve for the duration of his or her respective term of incumbency as Deputy City Manager of the City and until a successor is appointed.

(c) One member of the Board of Directors of the Corporation shall be the Chief Financial Officer of the City or equivalent thereof unless compelling reasons justify an alternate appointment methodology. Such member so appointed shall serve for the duration of his or her respective term of incumbency as Chief Financial Officer of the City and until a successor is appointed.

The number of Directors may be increased or decreased, and the positions held by persons comprising Directors may be modified, as may be determined from time to time by resolution of the City Council of the City at any time; provided however, in no event shall the Board of Directors consist of less than three (3) Directors or more than nine (9) Directors.

Directors may be removed or resign in accordance with the provisions of Section 5.08 hereof.

Section 5.03. Meetings. An annual meeting of the Board of Directors shall be held on a date to be determined by the Board of Directors on each calendar year for the purposes of: (a) electing officers; (b) appointing members of committees; (c) addressing legal issues; (d) receiving financial reports; and (e) addressing any other pertinent issues. Special meetings of the Board of Directors may be held at any time and place upon the call of the President of the Corporation or upon the written request of any Director. The Board of Directors may provide, by resolution, the time and place, either within or without the State of South Carolina, for the holding of regular and special meetings. Directors may be present and participate in meetings via teleconference, videoconference or other form of wire or wireless communication by which all persons participating in the meeting can hear each other at the same time, or via physical attendance.

Section 5.04. Notice. Regular meetings of the Board of Directors may be held without notice. Special meetings of the Board of Directors must be preceded by at least two days' notice to each director of the date, time and place, but not the purpose, of the meeting. Seven days' notice of a Board of Directors meeting shall be provided to each director if required under Section 33-31-822 of the Act. Notice may be communicated in person, by telephone, electronic mail, telegraph, teletype or other form of wire or wireless communication or by mail or private carrier or any other lawful means. A Director's attendance at or participation in a meeting waives any required notice of the meeting, unless the Director upon arriving at the meeting (or prior to the vote on a matter not properly noticed in conformity with the law or the Corporation's Articles of Incorporation or these Bylaws) objects to and does not thereafter vote for or assent to the objected to action. Notice of an adjourned meeting need not be given if the time and place are fixed at the meeting adjourning.

Section 5.05. Quorum. Attendance by a majority of the number of Directors in office immediately before a meeting begins shall constitute a quorum for the transaction of business at that meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice. Attendance via teleconference, videoconference or other form of wire or wireless communication by which all persons participating in the meeting can hear each other at the same time, or via physical attendance shall constitute "attendance" for purposes of determining whether a quorum is present.

Section 5.06. Manner of Acting. Except as otherwise provided by law or in this Section, the affirmative vote of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. The Board of Directors shall act in accordance with the provisions of Section 33-31-831 of the Act in the event of a Director conflict of interest or potential conflict of interest.

Section 5.07. Vacancies. Except as otherwise required by law or by the Corporation's Articles of Incorporation or these Bylaws, in the event of a vacancy on in the Board of Directors of the Corporation, the City Council of the City shall appoint a new member to the Board of Directors to fill such vacancy in the same manner as provided above in Section 5.02.

Section 5.08. Removals and Resignations. Any Director may be removed at any time with or without cause by the City Council of the City. Removals shall be implemented in accordance with the provisions of Section 33-31-809 of the Act. A Director may resign; provided, however, such resignation shall be in accordance with the provisions of Section 33-31-807 of the Act.

Section 5.09. Informal Action by Directors. To the fullest extent permitted by the Act and FOIA, action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting by written consent by all members of the Board of Directors.

Section 5.10. Committees. The Board of Directors then in office may create one or more committees of the Board of Directors and appoint members of the Board of Directors to serve on them. Each committee must have two or more members. All committee members shall serve at the pleasure of the Board of Directors. Committee appointments shall be for a one year term. The sections of these Bylaws that govern meetings, action without meetings and notice and waiver of notice requirements of the Board of Directors apply to committees of the Board of Directors and their members as well. To the extent specified by the Board of Directors, between meetings of the Board of Directors and subject to such limitations as may be required by law, the Corporation's Articles of Incorporation or these Bylaws or imposed by resolution of the Board of Directors, such committees may exercise all of the authority of the Board of Directors in the management of the Corporation, except that a committee may not authorize distributions; approve or recommend to the Board of Directors dissolution, merger or the sale, pledge or transfer of all or substantially all of the Corporation's assets; elect, appoint or remove Directors or fill vacancies on the Board of Directors or on any of its committees; or adopt, amend or repeal the Articles of Incorporation or these Bylaws.

Meetings of the committees may be held at any time on call of the President or a majority of the members of the committee. A majority of the members shall constitute a quorum for all meetings. Committees shall keep minutes of their proceedings and submit them to the next succeeding meeting of the Board of Directors for approval.

Section 5.11. Compensation; Reimbursement. The Board of Directors shall receive no compensation for service on the Board of Directors; however, the Board of Directors may determine to allow the Directors to receive reimbursement for reasonable expenses incurred in performing duties or attending meetings required as a member of the Board of Directors of the Corporation.

ARTICLE VI OFFICERS

Section 6.01. General. The officers of the Corporation shall be vested with authority to administer and implement duties, responsibilities and directives in conformity with their respective

offices in furtherance of the purposes set forth in the Bylaws and the Corporation's Articles of Incorporation.

Section 6.02. Number. The officers of the Corporation shall be a President, a Vice President, a Treasurer and a Secretary and such other officers and assistant officers as the Board of Directors shall deem necessary or desirable. A single individual may serve as more than one officer of the Corporation.

Section 6.03. Appointment of Officers. Unless otherwise appointed by the Board of Directors as provided herein, the President of the Corporation shall at all times be the City Manager of the City then in office or equivalent thereof, the Vice President of the Corporation shall at all times be the Deputy City Manager of the City then in office or equivalent thereof, and the Secretary and Treasurer of the Corporation shall be the Chief Financial Officer of the City then in office or equivalent thereof. Notwithstanding the foregoing, or anything contained herein to the contrary, the Board of Directors may, at their option, appoint such individuals as they desire to serve as the officers of the Corporation at the annual meeting of the Board of Directors or at such time or times as the Board of Directors shall determine, and each officer so appointed shall serve until his or her successor is appointed.

Section 6.04. Removal. Any officer or agent appointed by the Board of Directors may be removed by the Board of Directors, whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 6.05. Vacancies. A vacancy in an office because of death, resignation, removal, disqualification or otherwise, may be filled for the unexpired portion of the term by a person designated by the Board of Directors.

Section 6.06. President. The President shall, when present, preside at all meetings of the Board of Directors. He may sign any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6.07. Vice President. The Vice President shall familiarize himself with the affairs of the Corporation, and shall have such powers and perform such duties as may be prescribed from time to time by the President or the Board of Directors. At the request of the President or, in the event of the absence or disability of the President, at the request of the Board of Directors, the Vice President may act temporarily in the place of the President and when so acting shall possess all the powers of and perform all the duties of that officer.

Section 6.08. Treasurer. The Treasurer shall select such bank(s) or other depository(ies) wherein shall be deposited and maintained all payments, contributions, donations and dues accepted by the Board of Directors. The Treasurer shall maintain (a) accurate and complete books and

records of account; (b) custody and responsibility for the property and funds of the Corporation and (c) control over the Corporation's bank account(s).

Section 6.09. Secretary. The Secretary shall (a) keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records of the Corporation; (d) keep a register of the post office address of each Director which shall be furnished to the Secretary by such Director; (e) authenticate records of the Corporation when such authentication is required; and (f) in general perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the President or the Board of Directors.

Section 6.10. Compensation. The officers of the Corporation shall receive no compensation for service as officers; however, the Board of Directors of the Corporation may determine to allow the officers to receive reimbursement for reasonable expenses incurred in performing duties or attending meetings required as an officer of the Corporation.

Section 6.11. Bonds. Any or all officers and agents shall, respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine.

ARTICLE VII INDEMNIFICATION

Section 7.01. Authority. The Corporation shall to the fullest extent permitted by the Act indemnify all persons whom it may indemnify pursuant thereto so long as such persons have conducted themselves in good faith and reasonably believed their conduct not to be opposed to the Corporation's best interests.

Section 7.02. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or who, while a Director, officer, employee or agent of the Corporation is or was serving at the request of the Corporation as a Director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against liability asserted against or incurred by him in that capacity or arising from his or her status as such, whether or not the Corporation would have the power to indemnify him against the same liability under S.C. Code Ann. § 33-31-851 and § 33-31-852, as amended.

ARTICLE VIII AMENDMENTS; SEVERABILITY; CONFLICTS

Section 8.01. Amendment of Articles of Incorporation; Amendment or Repeal of Bylaws.
Upon the approval of at least 2/3 of the members of the Board of Directors of the Corporation and the approval of the City Council of the City, (a) the Articles of Incorporation of the Corporation may be amended; or (b) these Bylaws may be amended or repealed and new Bylaws

may be adopted by the Board of Directors in accordance with S.C. Code Ann. §33-31-1001 through §33-31-1030, as amended.

Any notice of meetings of the Board of Directors at which the Articles of Incorporation are to be amended, or these Bylaws are to be amended or repealed or new Bylaws adopted shall include notice of such proposed action and shall contain or be accompanied by a copy or summary of the proposed amendment.

Section 8.02. Severability. If any provision of these Bylaws or the application thereof to any person or circumstance shall be held invalid or unenforceable to any extent by a court of competent jurisdiction, such provision shall be complied with or enforced to the greatest extent permitted by law as determined by such court, and the remainder of these Bylaws and the application of such provision to other persons or circumstances to be affected thereby shall continue to be complied with and enforced to the greatest extent permitted by law.

Section 8.03. Articles of Incorporation. The Corporation's Articles of Incorporation and the Act (as either may be amended from time to time) are incorporated herein by reference. Any conflict between the terms of these Bylaws, the Corporation's Articles of Incorporation or the Act shall be resolved in the following order: (1) the Act; (2) the Corporation's Articles of Incorporation; and (3) these Bylaws.

ARTICLE IX REGULATION

The regulation of the business and conduct of the affairs of the Corporation shall conform to federal and state income tax laws and any other applicable federal and state law, and such regulation shall be determined by these Bylaws, as they may be amended from time to time. In the interpretation of these Bylaws, wherever reference is made to the Internal Revenue Code, the South Carolina Code or any other statute, or to any section thereof, such reference shall be construed to mean such code, statute or section thereof, and the regulations thereunder, as the case may be, as heretofore or hereafter amended or supplemented or as superseded by laws covering equivalent subject matter.

ARTICLE X DISSOLUTION

Section 10.01. Procedure for Dissolution. The Corporation may be dissolved and its business and affairs terminated upon a vote of at least two-thirds of the Directors in office at the time the dissolution is approved at a meeting of which written notice mailed to each Director shall be given at least ten days previously thereto. Such notice shall state the purpose of the proposed meeting. After dissolution is approved, Articles of Dissolution shall be filed with the Secretary of State. Notwithstanding the foregoing, the Corporation shall not be dissolved while any financing for the Projects undertaken by the Corporation remains outstanding.

Section 10.02. Distribution of Corporate Assets. Upon dissolution of the Corporation and after all its debts and expenses have been paid, all its assets which may be legally so distributed shall be distributed in conformity with these Bylaws and for the purposes set forth herein and in the Corporation's Articles of Incorporation. All remaining assets of the Corporation shall be turned over to one or more organizations which are governmental entities or exempt organizations described in Sections 501(c)(3) of the Internal Revenue Code or corresponding sections of any prior or future law.

ARTICLE XI
MISCELLANEOUS

Section 11.01. Corporation's Fiscal Year. The fiscal year of the Corporation shall end on June 30 of each calendar year unless otherwise determined by the Board of Directors.

Section 11.02. Notices. Except as otherwise provided by law, whenever any notice is required to be given to any Director of the Corporation under the provisions of the South Carolina Code, or under the provisions of the Articles of Incorporation or Bylaws of the Corporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, and delivered to the Corporation for inclusion or filing with the minutes or corporate records, shall be equivalent to the giving of such notice.

[Execution Page Follows]

I Certify that these Bylaws of the Corporation were duly adopted and ratified by the Board of Directors of the Corporation at a meeting of the Board of Directors held on _____, 20____.

Secretary

Exhibit D

Form of Base Lease

BASE LEASE

between

ROCK HILL CYCLING FACILITIES CORPORATION

and

CITY OF ROCK HILL, SOUTH CAROLINA,

Dated: December 29, 2010

BASE LEASE

THIS BASE LEASE dated December 29, 2010 (the "Base Lease"), by and between the City of Rock Hill, South Carolina, a political subdivision duly existing under the laws of the State of South Carolina (the "City"), as lessor, and Rock Hill Cycling Facilities Corporation (the "Corporation"), a nonprofit corporation duly organized under the laws of the State of South Carolina, as lessee.

WITNESSETH:

Section 1. Recitals.

WHEREAS, the City is the owner in fee simple of the Land (as defined herein) upon which the Improvements (as defined herein) are to be constructed and installed; and

WHEREAS, the City and the Corporation have determined to enter into this Base Lease in order to enable the completion of the Project (as defined herein); and

WHEREAS, the City desires to lease the Property (as defined herein) to the Corporation pursuant to this Base Lease; and

WHEREAS, the City and the Corporation hereby declare their intention to enter into the Facilities Lease (as defined herein) of even date herewith, whereby the City will lease from the Corporation the Property (as defined herein).

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements contained herein, and other good and valuable consideration, receipt of which is hereby acknowledged, the City and Corporation agree as follows:

Section 2. Definitions. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Facilities Lease. In addition, the following words and phrases will have the meanings specified below, unless the context clearly requires otherwise:

"Base Lease" means this Base Lease and any amendments or supplements hereto, including the Exhibits attached hereto.

"Base Lease Default" means, without limitation of any provision of this Base Lease specifically describing an action or omission of a party hereto as a "Base Lease Default", any failure by a party to this Base Lease to keep or comply with any obligation of such party under this Base Lease, or any violation by a party to this Base Lease of any condition or agreement in this Base Lease, which failure or violation shall have continued for a period of sixty (60) days after such party's receipt of written notice of such failure or violation by certified or registered mail from the other party to this Base Lease, or for such additional period of time as may be reasonably necessary provided the party receiving notice of such failure or violation diligently undertakes to cure such failure or violation.

“Base Lease Rent” means the amount referred to as such in Section 8 of this Base Lease.

“Base Lease Term” means the term of this Base Lease commencing as of the date of the delivery of this Base Lease and ending as set forth in Section 19 below.

“City” means the City of Rock Hill, South Carolina, its successors and assigns.

“Corporation” means the Rock Hill Cycling Facilities Corporation, its successors and assigns.

“Equipment” means any and all equipment acquired or installed as part of the Project.

“Facilities Lease” means the Cycling Facilities Lease Agreement between the City and the Corporation of even date herewith whereby the Corporation leases the Property to the City.

“Facilities Lease Default” means an “Event of Default” under the Facilities Lease, as such term is defined therein.

“Improvements” means the infrastructure and improvements included in the Project to be developed, acquired, constructed and/or installed on the Land pursuant to that certain Development Agreement and that certain Project Management Agreement, each of even date herewith and entered into by and between the City and the Corporation.

“Land” means all that certain piece, parcel or lot of land located within the City and being more fully described and identified as “Tract ‘B’” upon plat of survey of Pittman Professional Land Surveying entitled SUBDIVISION SURVEY FOR GREENS OF ROCK HILL, LLC LOCATED AT 2850 CHERRY ROAD, ROCK HILL, SC 29730, dated _____, 2010 and recorded on _____, 2010 in Plat Book _____, Page _____, in the Office of the Register of Deeds for York County, South Carolina, a copy of which plat is attached hereto as Exhibit A and made a part hereof by reference.

“Landlord Agreement” shall mean the Agreement of Landlord, Lender and Borrower entered into of even date herewith by and among the City, the Corporation and the Leasehold Lender.

“Leasehold Lender” shall mean Carolina First Community Development Corporation, a South Carolina corporation.

“Leasehold Mortgage” shall mean the leasehold mortgage given by the Corporation to the Leasehold Lender as set forth in Section 7 hereof.

“Ordinance” means Ordinance No. _____ enacted by the City Council on December 13, 2010, authorizing, among other things, this Base Lease and the Facilities Lease.

“Project” means the development, acquisition, construction and installation of a velodrome cycling facility together with all improvements and equipment relating thereto upon the Land, such

related improvements including, but not being limited to (i) an access road upon the Land allowing vehicular access to such velodrome cycling facility, (ii) any restroom, office or operational facilities upon the Land, and (iii) all landscaping, hardscaping, utilities or infrastructure upon or beneath the Land.

“Property” means, collectively, the Land, Improvements and Equipment.

“Termination Fee” means the termination fee to be paid by the City to the Corporation under Section 19(d) hereof for the termination of this Base Lease.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

Accounting terms used herein and not otherwise specifically defined shall have the meaning ascribed such terms by generally accepted accounting principles as from time to time in effect.

Section 3. Lease of Property. Subject to the terms and conditions set forth in this Base Lease, the City hereby demises and rents unto the Corporation the Property for the Base Lease Term.

Section 4. Representations by the City. The City represents and warrants as follows:

(a) The City is a body politic and corporate under the laws of the State of South Carolina.

(b) The demise and lease of the Property by the City to the Corporation, as provided in this Base Lease, and the lease of the Property back to the City, pursuant to the Facilities Lease, are being undertaken for public and corporate purposes of the City.

(c) The City has full power and authority to enact the Ordinance and the City has full power and authority to enter into the transactions contemplated by this Base Lease and to carry out its obligations hereunder.

(d) Neither the execution and delivery of this Base Lease, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City is bound.

(e) The City has not made, done, executed or suffered, and warrants that it will not make, do, execute or suffer, any act or thing whereby the City's interests in the Property shall be or may be impaired, changed, or encumbered in any manner whatsoever except as permitted by this Base Lease.

(f) The City is the fee owner of the Property free and clear of all liens, encumbrances and restrictions other than Permitted Encumbrances (as such term is defined in the Facilities Lease).

Section 5. Representations by the Corporation. The Corporation represents and warrants as follows:

(a) The Corporation is a nonprofit corporation duly organized under the laws of the State of South Carolina and has corporate power to enter into this Base Lease. By proper corporate action the officers of the Corporation have been duly authorized to execute and deliver this Base Lease.

(b) The execution and delivery of this Base Lease and the consummation of the transactions herein and therein contemplated will not conflict with or constitute a breach of or default under the Corporation's articles of incorporation or bylaws, or any contract, agreement, or instrument to which the Corporation is a party or by which it is bound.

Section 6. Use of the Property. The Corporation will undertake the completion of the Project on the Property. Simultaneously with the delivery of this Base Lease, the City will lease the Property from the Corporation pursuant to the Facilities Lease.

Section 7. Assignments, Subleases, and Mortgages and Use. So long as no Base Lease Default, Event of Nonappropriation or Facilities Lease Default shall have occurred, during the term of this Base Lease, neither the City nor the Corporation may: (a) mortgage or otherwise encumber or assign its rights under this Base Lease; (b) sublet the Property or any portion thereof; or (c) remove, modify or alter the Project, without the prior written consent of the other and the Leasehold Lender. Notwithstanding the foregoing, the parties hereto hereby expressly acknowledge and authorize the Corporation to: (1) grant a mortgage of its leasehold interest and an assignment of its leasehold interest in the Property to the Leasehold Lender in order to assist in the financing of the acquisition and construction of the Project (the "Leasehold Mortgage"); (2) lease the Property back to the City pursuant to the Facilities Lease; (3) contract with the City for the development of the Project pursuant to the Development Agreement; (4) contract with the City for the management of the construction of the Project pursuant to the Project Management Agreement; and (5) contract with the City for the operation and maintenance of the Property pursuant to the Cycling Facilities Management Agreement. Further, the City, in its role as manager of the Property pursuant to the Cycling Facilities Management Agreement, may sublet or license the use of the Property to persons or entities for cycling use from time to time subject to the terms and conditions of the Cycling Facilities Management Agreement.

Neither the City, the Corporation, nor any tenants, licensees or users of the Property, shall engage in the following activities on the Property: the operation of any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal activity of which is the sale of alcoholic beverages for consumption off premises.

Section 8. Rent and Other Considerations. As and for rental hereunder and in consideration for the leasing of the Property to the Corporation hereunder, the Corporation agrees to: (a) pay Base Lease Rent to the City in the amount of \$1.00 per year; and (b) fulfill its obligations with respect to the construction and development of the Project as provided in the Development Agreement of even date herewith between the City and the Corporation.

Section 9. Project. The Corporation, either directly or as assignee of the City, has entered into or will enter into one or more contracts for the purpose of completing the Project. The cost of completing the Project shall be paid solely by the Corporation. The City hereby consents to the completion of the Project.

Section 10. Quiet Enjoyment. The City covenants that the Corporation, on the performance of the terms and conditions of this Base Lease, shall and may peaceably and quietly have, hold and enjoy the Property for the full term of this Base Lease, subject to the Permitted Encumbrances.

Section 11. Maintenance of Property. At the conclusion of the term hereof, the possession of the Property, together with any improvements or additions thereto, shall be returned to the City in substantially the condition as of the completion of the Project, subject to normal wear and tear. So long as the City no Base Lease Default, Event of Nonappropriation or Facilities Lease Default shall have occurred, except as contemplated under the Facilities Lease, the Corporation shall not make or consent to any other improvements (other than the Project), modifications or alterations to the Property, or remove any part thereof without the written consent of the City.

Section 12. No Partnership or Joint Venture. Under no circumstances shall the City and the Corporation be deemed or held to be partners or joint venturers in or concerning the Property.

Section 13. Payment of Taxes or Assessments. At the outset of this Base Lease there are no taxes due and owing on the Property by virtue of the governmental status of the City. If at any time in the future any taxes or other assessments are made against the Property or improvements made thereto, the City shall be liable for payment of any and all such taxes or assessments. If the Corporation receives notice of any taxes or assessments the Corporation agrees to forward the same to the City.

Nothing herein shall be construed as preventing or interfering with the right of the City at its own expense, to contest any tax, assessment, charge, lien or claim of any kind in respect to the Property or any improvements or additions thereon or thereto and the City shall not be considered in Base Lease Default with respect to payment thereof for so long as the matter shall remain undetermined by final judgment.

Section 14. Insurance. During the Base Lease Term, the Property shall be insured as provided in the Facilities Lease and in the Leasehold Mortgage to Leasehold Lender.

Section 15. Waiver of Personal Liability. All liabilities under this Base Lease on the part of the Corporation are fully corporate liabilities of the Corporation as a corporation, and, to the

extent permitted by law, the City hereby releases each and every incorporator, member, director and officer of the Corporation of and from any personal or individual liability under this Base Lease, including without limitation the obligation to make payment of the Base Lease Rent. No incorporator, member, director or officer of the Corporation shall at any time or under any circumstances be individually or personally liable under this Base Lease for anything done or omitted to be done by the Corporation hereunder.

Section 16. Reconstruction and Replacement. For the term of this Base Lease, in the event of damage to or destruction of the Improvements or the Equipment, the Corporation and the City shall be subject to such requirements as may be contained in the Facilities Lease as to the application of insurance proceeds.

Section 17. Default by Corporation. In the event of a Base Lease Default by the Corporation, the City shall have the right at its option, in addition to and not in lieu of all of the rights to which it may be entitled hereunder and by law, to terminate this Base Lease and re-enter and repossess all and singular the Property. Any Base Lease Default by the Corporation and any remedies of the City under this Base Lease: (i) shall be subject to the Leasehold Mortgage and the Landlord Agreement; and (ii) shall not relieve the City of its obligation to pay Lease Payments due under the Facilities Lease.

Section 18. Default by the City. Failure by the City to pay, within a reasonable time after the due date, any obligation paramount to this Base Lease or affecting the Land or failure by the City to promptly to remove any other lien or charge which could jeopardize the Corporation's right to possession as hereby granted, which failure continues for more than 60 days, shall be a Base Lease Default by the City, and in such event, the Corporation may pay the items in question after first giving the City 30 days written notice by certified mail. Any such payment shall entitle the Corporation to be subrogated to the lien or charge of the item so paid. The City shall have an opportunity to contest the validity of any obligation paramount to this Base Lease or affecting the Property. If any payment is made by the Corporation pursuant to this paragraph, the City shall be liable for repayment to the Corporation in accordance with this paragraph, but only in such amount as represents the reasonable cost or value of the obligations paid by the Corporation.

Except as set out herein below, in the event of a Base Lease Default by the City, the Corporation may in addition to and not in lieu of all of the rights to which it may be entitled hereunder and by law, but subject to the rights of the Leasehold Lender pursuant to the Leasehold Mortgage and the Landlord Agreement, terminate this Base Lease and turn over possession of the Property to the City.

If a Facilities Lease Default by the City occurs or if the City fails to pay Lease Payments due under the Facilities Lease for any reason, the Corporation shall have the right to possession of the Property for the remainder of the Base Lease Term and shall have the right to lease the Property or sell its leasehold interest in the Property and in this Base Lease upon whatever terms and conditions it deems prudent; provided that the Property shall always be operated for a public purpose and in compliance with all applicable governmental rules, regulations and orders; and provided further that the City shall at all times have the right to obtain exclusive possession and unencumbered title to the Property by the payment to the City of the Termination Fee pursuant to Section 19(d) below. In

such event, the Corporation (i) shall maintain or cause to be maintained the Property, and shall not cause, permit or suffer to be caused or permitted waste thereto; (ii) shall pay for all utilities, including, but not limited to water, gas, electricity, heat, sewer, telephone and other utilities used on or about the Property; (iii) shall provide the City with adequate public liability and comprehensive risk insurance covering the Property and will furnish the City with evidence thereof; and (iv) shall pay any taxes, if due, relating to the Property, for the remainder of the Base Lease Term.

Notwithstanding any provision contained in this Section 18 to the contrary, all remedies provided for hereunder shall be subject to the provisions of the Leasehold Mortgage and the Landlord Agreement.

Section 19. Termination. This Base Lease shall terminate upon the earliest of:

(a) January 5, 2051;

(b) The occurrence of a Base Lease Default by the City and an election by the Corporation to terminate the Base Lease Term, subject to the rights of the Leasehold Lender pursuant to the Leasehold Mortgage and the Landlord Agreement;

(c) The occurrence of a Base Lease Default by the Corporation and an election by the City to terminate the Base Lease Term, subject to the rights of the Leasehold Lender pursuant to the Leasehold Mortgage and the Landlord Agreement; or

(d) Payment in full by the City of the Termination Fee determined in accordance with the Termination Fee Schedule set forth on Exhibit B attached hereto and made a part hereof by reference. In the event the City elects to terminate this Base Lease by payment of the applicable Termination Fee to the Corporation, such Termination Fee shall be deposited by the City in an escrow or trust account designated by the Corporation for the purpose of redeeming or defeasing any obligations secured by the Corporation's interest in the Property, whether under this Base Lease or otherwise. Termination of this Base Lease pursuant to this Subsection (d) shall occur immediately upon the deposit of the Termination Fee by the City into the escrow or trust account designated by the Corporation.

The Corporation agrees, upon any such termination or upon termination or expiration of the Base Lease Term, to quit and surrender the Property and that all title and interest in the Property shall vest in the City free and clear of the encumbrance of this Base Lease and any other encumbrances.

Upon expiration of this Base Lease, the City will obtain exclusive use and possession of the Property, together with all improvements or additions thereon or thereto.

Section 20. No Merger. Except as expressly provided herein, no union of the interest of the City and the Corporation herein or in the Facilities Lease shall result in a merger of this Base Lease and the title to the Property.

(d) Whenever the Corporation requests any consent, permission or approval which may be required or desired by the Corporation pursuant to the provisions hereof, the City shall not be arbitrary or capricious in withholding or postponing the grant of such consent, permission or approval.

(e) All covenants, promises, conditions and obligations herein contained or implied by law are covenants running with the Land and shall attach and bind and inure to the benefit of the City and the Corporation and their respective legal representatives, successors and assigns, except as otherwise provided herein.

(f) There are no oral or verbal understandings between the City and the Corporation concerning the subject matter of this Base Lease, and any amendment, modification or supplement to this Base Lease must be in writing.

(g) The City's or the Corporation's failure to exercise any rights or options provided hereinunder or by law does not constitute a permanent waiver of that right or option.

Section 24. Binding Effect; Execution in Counterpart. This Base Lease shall inure to the benefit of and shall be binding upon the Corporation and the City and their respective successors and assigns. This Base Lease may be executed in counterpart by the parties hereto.

Section 25. Applicable Law. This Base Lease shall be governed by and construed in accordance with the laws of the State of South Carolina.

Section 26. Memorandum of Lease. The Corporation and the City agree to execute a memorandum of this Base Lease upon execution and delivery hereof for recording with the office of the Register of Deeds of York County, South Carolina.

[Execution Pages Follow]

IN WITNESS WHEREOF, each of the parties hereto has caused this Base Lease to be executed in its name by its duly authorized officer and, with respect to the City, to be sealed with corporate seal, and duly attested, all as of the date first above written.

WITNESSES:

CORPORATION:
Rock Hill Cycling Facilities Corporation

By: _____
Its: Vice President

CITY: City of Rock Hill, South Carolina

By: _____
Its: City Manager

(SEAL)

[Base Lease Execution Page]

STATE OF SOUTH CAROLINA)
)
COUNTY OF YORK)

ACKNOWLEDGEMENT

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____, Vice-President of Rock Hill Cycling Facilities Corporation (the "Corporation"), a nonprofit corporation organized and existing under the laws of the State of South Carolina, on behalf of the Corporation.

Notary Public for South Carolina
Commission Expires: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF YORK)

ACKNOWLEDGEMENT

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____, the City Manager of the City of Rock Hill, South Carolina (the "City") a body politic and corporate and a political subdivision of the State of South Carolina, on behalf of the City.

Notary Public for South Carolina
Commission Expires: _____

[Base Lease Execution Page]

EXHIBIT A

Survey

[see attached]

EXHIBIT B

Termination Fee Schedule

[see attached]

Exhibit E

Form of Cycling Facilities Lease Agreement

CYCLING FACILITIES LEASE AGREEMENT

between

ROCK HILL CYCLING FACILITIES CORPORATION

and

CITY OF ROCK HILL, SOUTH CAROLINA

Dated: December 29, 2010

THIS CYCLING FACILITIES LEASE AGREEMENT, dated as of December 29, 2010 (together with any amendments hereto made in accordance herewith, the "Facilities Lease"), is entered into by and between Rock Hill Cycling Facilities Corporation (the "Corporation"), a nonprofit corporation organized and existing under the laws of the State of South Carolina, as sublessor, and the City of Rock Hill, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (the "City"), as sublessee.

WITNESSETH:

WHEREAS, the City is a duly existing body politic and corporate and a political subdivision of the State of South Carolina; and

WHEREAS, the Corporation is a nonprofit corporation, duly created and existing under the laws of the State of South Carolina and is authorized to own and hold personal and real property and to enter into agreements with parties to allow for the maintenance and use of such personal and real property; and

WHEREAS, the Corporation has entered into a Base Lease of even date herewith (the "Base Lease") with the City whereby the Corporation has leased from the City the Property (as defined in the Base Lease); and

WHEREAS, pursuant to this Facilities Lease, the Corporation will sublease to the City, and the City will sublease from the Corporation, the Property for the Term (as defined herein); and

WHEREAS, in accordance with the Development Agreement of even date herewith between the Corporation and the City, the Corporation will undertake the Project (as defined in the Base Lease), such Project to include the development, acquisition, construction and installation of the Improvements and the Equipment (each as defined in the Base Lease); and

WHEREAS, the Corporation desires to finance the Project by delivering certain promissory notes (the "Notes") to Carolina First Community Development Corporation (the "Lender") in order to access financing that has favorable terms and conditions through the Lender's New Markets Tax Credits program. Debt service on the Notes is anticipated to be repaid, in part, by application of the Lease Payments (as defined below) to be paid to the Corporation by the City pursuant to the terms of this Facilities Lease; and

WHEREAS, the City has agreed to utilize certain hospitality fees (the "Hospitality Fees" as more particularly defined herein), subject to annual appropriation thereof by City Council of the City, to pay Lease Payments; and

WHEREAS, the City has imposed the local Hospitality Fees pursuant to Ordinance No. 2002-46 duly enacted by the City Council of the City on August 12, 2006 (the "Hospitality Fee Ordinance"); and

WHEREAS, the City has found that the Hospitality Fees are a "local hospitality tax" within the meaning of Title 6, Chapter 1, Article 7 of the South Carolina Code and may be applied to make the Lease Payments under this Facilities Lease; and

WHEREAS, the execution, performance and delivery of this Facilities Lease have been authorized, approved and directed by the City Council of the City by Ordinance No. _____ duly enacted by the City Council of the City on December 13, 2010 (the "Ordinance"); and

WHEREAS, the execution, delivery and performance of this Facilities Lease by the Corporation have been authorized, approved and directed by all necessary and appropriate action of the Corporation;

NOW, THEREFORE, for and in consideration of the financing of the Project described herein and provided by the Corporation, the payment of the Lease Payments (as hereinafter defined) by the City, the mutual promises, conditions and covenants herein set forth, and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Definitions. All capitalized terms contained in this Facilities Lease will have the meanings specified below unless the context clearly requires otherwise:

"2005 COPS" means the Rock Hill Public Facilities Corporation \$11,925,000 original principal amount Certificates of Participation, (Hospitality Fee Pledge) Series 2005, dated March 1, 2005.

"2005 Installment Sale Agreement" means the Installment Sale Agreement between the City and Rock Hill Public Facilities Corporation dated as of March 1, 2005.

"2008 Project Lease" means the Project Lease Agreement between Branch Banking and Trust Company, as lessor, and the City, as lessee, dated August 28, 2008, in connection with the City's \$3,550,000 original principal amount lease-purchase financing.

"Cycling Management Agreement" means the Cycling Facilities Management Agreement between the City and the Corporation of even date herewith.

"Base Lease" means that certain Base Lease of even date herewith, between the City, as lessor, and the Corporation, as lessee, including any amendments or supplements thereto.

"Corporation" means the Rock Hill Cycling Facilities Corporation, a South Carolina nonprofit corporation.

“Corporation Representative” means any person or persons at the time designated to act on behalf of the Corporation under this Facilities Lease by a written certificate furnished to the City containing the specimen signature of such person or persons and signed on behalf of the Corporation by an officer of the Corporation.

“City” means the City of Rock Hill, South Carolina, a body politic and corporate and a political subdivision of the State.

“City Clerk” means the Municipal Clerk of the City.

“City Council” means the City Council of the City of Rock Hill, South Carolina.

“City Representative” means the person or persons at the time designated to act on behalf of the City for the purpose of performing any act under this Facilities Lease by a written certificate furnished to the Corporation containing the specimen signature of such person or persons and signed by the City Manager or Assistant City Manager, and City Clerk.

“Code” means the Internal Revenue Code of 1986, as amended, from time to time, or any successor internal revenue laws of the United States enacted by the Congress of the United States in replacement thereof. References to the Code and sections of the Code include relevant applicable regulations, temporary regulations and proposed regulations thereunder and any successor provisions to those sections, regulations, temporary regulations or proposed regulations.

“Development Agreement” means the Development Agreement between the City and the Corporation of even date herewith.

“Equipment” has the meaning given such term in the Base Lease.

“Event of Default” means one or more events of default as defined in Section 12.1 of this Facilities Lease.

“Event of Nonappropriation” means the event as described in Section 8.1 of this Facilities Lease.

“Facilities Lease” means this Cycling Facilities Lease Agreement and any amendments or supplements hereto, including the Exhibits attached hereto.

“Fiscal Year” means the fiscal year of the City, currently beginning on each July 1 and ending on the succeeding June 30.

“Hospitality Fee” means the local Hospitality Fee imposed by the City pursuant to South Carolina Code Sections 6-1-700 to 6-1-770 and the Hospitality Fee Ordinance, which is equal to two percent (2%) on the gross proceeds for the sale of all prepared meals and beverages served within the City by an establishment, including prepared foods and beverages sold in establishments licensed for the consumption of alcoholic beverages, beer or wine within the City.

“Hospitality Fee Ordinance” means Ordinance No. 2002-46 enacted by City Council on August 12, 2002, which imposed the Hospitality Fee.

“Improvements” has the meaning given such term in the Base Lease.

“Land” has the meaning given such term in the Base Lease.

“Lease Payments” means the annual amounts to be paid by the City pursuant to Section 6.2 hereof, subject to annual appropriation as provided in Section 8.1 hereof.

“Net Proceeds”, when used with respect to any proceeds from policies of insurance or proceeds from any condemnation of the Property, means the amount remaining after deducting from the gross proceeds thereof all reasonable expenses (including, without limitation, reasonable attorneys' fees and costs) incurred in the collection of such proceeds.

“New Markets Tax Credit” means the federal income tax credit available under Section 45D of the Code.

“Permitted Encumbrances” means, as of any particular time, (a) liens for taxes and assessments not then delinquent; (b) the Base Lease and this Facilities Lease; (c) utility, access and other easements and rights-of-way, restrictions and exceptions which an official of the City certifies will not interfere with or impair the Property, including rights or privileges in the nature of easements; (d) any financing statements filed to perfect security interests pursuant to this Facilities Lease; (e) existing easements, covenants, conditions and restrictions of record set forth in Exhibit C; (f) any agreements set forth in Exhibit C; and (g) any leasehold mortgage, leasehold assignment, agreement between the Corporation and Lender, financing statements, and any other documents or agreements securing or pertaining to the financing evidenced by the Notes; and (h) any other encumbrances to which the Corporation gives its written consent.

“Project Management Agreement” means the Project Management Agreement of even date herewith between the City and the Corporation.

“Property” has the meaning set forth in the Base Lease.

“South Carolina Code” means the South Carolina Code of Laws, 1976, as amended.

“State” means the State of South Carolina.

“Term” means the term as determined pursuant to Article IV hereof.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of the City. The City represents, covenants and warrants for the benefit of the Corporation as follows:

(a) The City is a body politic and corporate of the State, has power to enter into this Facilities Lease, and has duly authorized and taken the necessary acts required prior to (including all required approvals) the execution and delivery of this Facilities Lease. The City warrants this Facilities Lease to be a valid, legal and binding obligation and agreement of the City enforceable against the City in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity; anything herein to the contrary notwithstanding, this Facilities Lease is subject in its entirety to the right of the City to terminate this Facilities Lease and all the terms and provisions hereof by failing to budget and appropriate moneys specifically to pay Lease Payments, as provided in Section 8.1 hereof.

(b) Neither the execution and delivery of this Facilities Lease, nor the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions hereof conflict with or result in a breach of the terms, conditions, or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City is bound or constitutes a default under any of the foregoing, nor conflict with or result in a violation of any provision of law governing the City.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, to the best of the knowledge of the City, known to be pending or threatened against or affecting the City nor to the best of the knowledge of the City is there any basis therefor, wherein an unfavorable decision, ruling, or finding would materially and adversely affect the transactions contemplated by this Facilities Lease or which would adversely affect, in any way, the validity or enforceability of this Facilities Lease or any material agreement or instrument to which the City is a party, used or contemplated for use in the consummation of the transactions contemplated hereby.

(d) No event has occurred and no condition exists that constitutes an Event of Default or which, upon the execution and delivery of this Facilities Lease, and/or the passage of time or giving of notice or both, would constitute an Event of Default. To the best of the knowledge of the City, the City is not in violation in any material respect, and has not received notice of any claimed material violation (except such violations as (i) heretofore have been specifically disclosed in writing to, and have been in writing specifically consented to by, the Corporation, and (ii) do not, and shall not, have any material adverse effect on the transactions herein contemplated and the compliance by the City with the terms hereof) of any terms of any court order, statute, regulation, ordinance, agreement, or other instrument to which it is a party or by which it, its properties or its operations may be bound.

(e) This Facilities Lease does not provide for: (1) payments hereunder to be divided into principal and interest components or contain any reference to any portion of any

payments thereunder being treated as interest; or (2) title to the Property to be in the name of or to be transferred to the City only if all payments scheduled or provided for therein are made. Further, this Facilities Lease provides for payments hereunder by the City to be paid from the Hospitality Fees, subject to annual appropriation by the City. As such, this Facilities Lease does not constitute a "financing agreement", but rather an "enterprise financing agreement", under Section 11-27-110 of the South Carolina Code. The City anticipates that revenues from the Hospitality Fee will be sufficient to pay the amounts due under the Facilities Lease.

(f) The City has heretofore pledged the Hospitality Fees to the payment of Base Fee Payments and Additional Fee Payments under the 2005 Installment Sale Agreement in connection with the issuance of the 2005 COPS. Further, the City has previously entered into the 2008 Project Lease which provides for the payment of Lease Rentals (as defined therein) from Hospitality Fees, subject to annual appropriation thereof by the City. The 2005 Installment Sale agreement provides that, upon compliance with certain conditions set forth therein, the City may issue "Other Obligations" secured by a pledge of Hospitality Fees on a parity with the pledge thereof securing payment of amounts due under the 2005 Installment Sale Agreement in connection with the 2005 COPS. "Other Obligations" are defined in the 2005 Installment Sale Agreement as any obligation of the City constituting indebtedness under generally accepted accounting principles, and any other payment obligation with established or fixed annual or periodic payments, for the payment of which Hospitality Fees have been or are to be pledged. This Facilities Lease will not constitute an "Other Obligation" (within the meaning of the 2005 Installment Sale Agreement) because Hospitality Fees are not pledged for the payment of amounts due under this Facilities Lease. Payments under this Facilities Lease from Hospitality Fees will be subject to annual appropriation thereof by the City.

Section 2.2 Representations and Warranties of Corporation. The Corporation represents, covenants and warrants for the benefit of the City as follows:

(a) The Corporation is a nonprofit corporation duly created and existing under the laws of the State of South Carolina, has all necessary power to enter into this Facilities Lease, and has duly authorized the execution and delivery of this Facilities Lease.

(b) The Corporation has the corporate power and authority to make, execute, deliver and perform this Facilities Lease, and this Facilities Lease have been duly authorized and delivered by all required corporate action of the Corporation. This Facilities Lease is a valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

(c) Neither the execution and delivery hereof, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, or constitutes a default under any of the foregoing.

(d) To the knowledge of the Corporation after due investigation with respect thereto, there is no litigation or proceeding pending or, to the knowledge of the Corporation, threatened against the Corporation or any other person affecting the right of the Corporation to execute or deliver this Facilities Lease or the Base Lease or to comply with its obligations under this Facilities Lease. Neither the execution and delivery of this Facilities Lease by the Corporation, nor compliance by the Corporation with its obligations under this Facilities Lease requires the approval of any regulatory body, any parent corporation, or any other entity, which approval has not been obtained.

(e) The Property is free and clear of any liens or encumbrances except for the Permitted Encumbrances.

ARTICLE III DEMISING CLAUSE

Section 3.1 Lease of Property. The Corporation does hereby demise and lease the Property to the City, and the City does hereby lease the Property from the Corporation, for the Term. The City intends to use the Property for public and corporate purposes of the City, in accordance with and subject to the provisions of this Facilities Lease, and subject to the Permitted Encumbrances.

ARTICLE IV TERM

Section 4.1 Commencement of Term. The Term shall commence upon execution and delivery hereof.

Section 4.2 Termination of Term. The Term shall terminate upon the earliest of any of the following events:

- (a) The last day of the Fiscal Year during which there occurs an Event of Nonappropriation;
- (b) An Event of Default and termination of the Term by the Corporation under Article XIII of this Facilities Lease;
- (c) Termination of the Base Lease;
- (d) January 5, 2041.

Upon termination of the Term, all obligations of the City under this Facilities Lease and the City's rights of use under this Facilities Lease shall terminate.

Section 4.3 Surrender of Possession Upon Termination. Upon termination hereof or under termination of all rights of the City hereunder, either by reason of an Event of Default or an Event of Nonappropriation, the City covenants that it will deliver up or cause to be delivered up peaceable possession of the Property without delay, upon demand made by the Corporation, in good repair and operating condition, excepting reasonable wear and tear and damage, injury or destruction by fire or other casualty which, under the terms hereof, the City is not obligated to repair, reconstruct or replace. For purposes hereof, the City will be deemed in compliance herewith if it delivers possession of the Property within thirty (30) days of demand being made thereof by the Corporation.

ARTICLE V ENJOYMENT OF THE PROPERTY

Section 5.1 Quiet Enjoyment. The Corporation hereby covenants that the City shall during the Term peaceably and quietly have and hold and enjoy the Property without suit, trouble or hindrance from the Corporation, except as expressly required or permitted by this Facilities Lease. The Corporation shall not interfere with the quiet use and enjoyment of the Property by the City during the Term, so long as the Term shall be in effect and payments of Lease Payments shall have been made. The Corporation shall join and cooperate fully in any legal action in which the City asserts its right to such possession and enjoyment, or which involves the imposition of any taxes or other governmental charges on or in connection with the Property. In addition, the City may join in any legal action affecting its possession and enjoyment of the Property, and shall be joined (to the extent legally possible) in any action affecting its liabilities hereunder.

ARTICLE VI LEASE PAYMENTS BY THE CITY

Section 6.1 Lease Payments Constitute an Obligation of the City Payable from Annually Appropriated Hospitality Fees of the City. The Corporation and the City understand and intend that the City intends to pay Lease Payments hereunder from Hospitality Fees. Such payments shall constitute a current expense of the City and shall not in any way be construed to be a pledge of the Hospitality Fees to the payment of Lease Payments, nor a debt of the City in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the City, nor shall anything contained herein constitute a pledge of the general tax revenues, funds, moneys or credit of the City. The officials of the City responsible for preparing annual budget recommendations to City Council shall include in such recommendations funding necessary for payment of the Lease Payments provided for in this Facilities Lease.

Section 6.2 Lease Payments. Subject to the nonappropriation provisions contained in Section 8.1, the City shall pay Lease Payments directly to the Corporation or its assigns by check or in immediately available funds for the Term, in the amounts and on the due dates set forth in Exhibit B attached hereto and made a part hereof.

Section 6.3 Limited and Special Obligation of City. In the event sufficient funds shall not be appropriated for the payment of the Lease Payments required to be paid under this Facilities Lease, then the City or the Corporation may terminate this Facilities Lease. If this Facilities Lease is terminated, the City agrees to terminate its use of the Property hereunder, and to peacefully deliver possession of the Property to the Corporation or its assigns.

THE OBLIGATIONS OF THE CITY UNDER THIS FACILITIES LEASE SHALL NOT CONSTITUTE A PLEDGE OF THE FULL FAITH, CREDIT OR TAXING POWER OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL OR STATUTORY PROVISION.

ARTICLE VII
CONSTRUCTION AND DEVELOPMENT OF THE PROJECT;
OPERATION, MANAGEMENT AND MAINTENANCE OF THE PROPERTY

Section 7.1 Development of the Project. The Corporation has agreed to undertake the financing and development of the Project pursuant to the Development Agreement.

Section 7.2 Construction of the Project. The City has agreed to manage the construction of the Project pursuant to the Project Management Agreement.

Section 7.3 Operation, Management and Maintenance of the Property. The City has agreed to undertake the management, operation and maintenance of the Property pursuant to the Cycling Facilities Management Agreement. The City shall operate the Property in a sound and economical manner, in compliance with all present and future laws and governmental regulations applicable thereto, and maintain, preserve and keep the Property in good repair, working order and condition. The City shall from time to time make or cause to be made all necessary and proper repairs and renewals so that at all times during the Term the operation of the Property may be properly and advantageously conducted. The City may contract with a third party to provide for the operation, management and maintenance of the Property.

ARTICLE VIII
NONAPPROPRIATION

Section 8.1 Nonappropriation. It is understood and agreed that while the Term as above set out ends on January 1, 2041, this Facilities Lease may be cancelled by the City at the end of any Fiscal Year (presently June 30) if prior to commencement of the next Fiscal Year the City fails to appropriate amounts sufficient to pay the Lease Payments under this Facilities Lease for such succeeding Fiscal Year. In such event, an event of nonappropriation ("Event of Nonappropriation") shall be deemed to have occurred in the year in which the City fails to budget amounts for payments under this Facilities Lease in the succeeding year. The Corporation shall, upon the occurrence of an Event of Nonappropriation, be entitled to exercise its remedies, terminate this Facilities Lease, liquidate its interest in this Facilities Lease, use and occupy the Property for its own purposes or sublease the Property.

Section 8.2 Effect of Nonappropriation. Upon cancellation of this Facilities Lease after an event described in Section 8.1 hereof, the City's rights of use and possession of the Property under this Facilities Lease shall terminate and immediately thereafter the City shall deliver possession of the Property to the Corporation as provided in Section 4.3 hereof.

ARTICLE IX
DAMAGE OR DESTRUCTION;
USE OF NET PROCEEDS

Section 9.1 Damage or Destruction. If, during the Term, the Property or any portion thereof is destroyed, or is damaged by fire or other casualty, then the City shall continue to be obligated, subject to the provisions of Section 8.1 of this Facilities Lease, to continue to pay the amounts specified in Section 6.2 of this Facilities Lease. Notwithstanding anything contained in this Facilities Lease to the contrary, the proceeds of fire or other casualty insurance policies received in connection with damage to or destruction of the Property, will, subject to the claims of Leasehold Lender, (a) be used to reconstruct the Property, regardless of whether the insurance proceeds are sufficient to pay for the reconstruction, or (b) be remitted to the City.

Section 9.2 Insufficiency of Net Proceeds. If the Net Proceeds (plus any amount withheld therefrom by reason of any deductible clause) shall be insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Property, or portion thereof, the City may complete the work and pay any cost in excess of the amount of Net Proceeds.

Section 9.3 Insurance. The Corporation has, prior to the date of execution and delivery hereof, obtained and will continue to maintain general liability insurance against loss or losses from liabilities described in Section 9.4, hereof, as to the Land. The Corporation will obtain, and will maintain at all times until termination of this Facilities Lease and surrender of the Property to the Corporation, a primary policy of insurance covering the Property and providing the insurance protection described in Sections 9.3, 9.4 and 9.5 hereof.

Section 9.4 Required Liability Coverage. The Corporation shall maintain, from the date of completion of the Project and, thereafter, for the term of this Facilities Lease, general liability insurance on the Property against loss or losses from liabilities imposed by law or assumed in any written contract and arising from the death or bodily injury of persons or damage not less than \$_____ on account of the injury of any one person with an aggregate tort damage limitation of not less than \$_____ per occurrence, and not less than \$_____ for property damage per occurrence, excluding liability imposed upon the City by any applicable worker's compensation law.

Section 9.5 Primary Policy Coverage. The primary policy will be obtained and maintained by the Corporation, and will insure the Property and, to the extent determined by the Corporation, any personal property, fixtures or equipment of the Corporation located therein for full replacement cost against loss by fire, with standard extended risk coverage, vandalism, malicious mischief, sprinkler leakage and all other risk perils. The named insured will be the Corporation; the

City and the Lender shall be named as a loss payee. The limits of coverage for this insurance shall be an amount not less than the value of the improvements and may be increased in order to reflect increases in the replacement cost of the improvement.

Section 9.6 Cooperation of City. The City shall cooperate fully with the Corporation in filing any proof of loss with respect to any insurance policy covering the events described in Section 9.1 of this Facilities Lease, and, so long as there has been no Event of Nonappropriation or Event of Default by the City, subject to the rights of the Lender set forth in the leasehold mortgage from the Corporation to the Lender securing the financing evidenced by the Notes (the "Leasehold Mortgage"), the City hereby assigns to the Corporation any interest it may have in such policies or rights of action for such purposes. In no event shall the Corporation voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim without the written consent of the Lender.

ARTICLE X OTHER COVENANTS

Section 10.1 Further Assurances and Corrective Instruments. The Corporation and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property or the Property described herein, or for otherwise carrying out the intentions hereof.

Section 10.2 Corporation and City Representatives. Whenever under the provisions hereof the approval of the Corporation or the City is required to take some action at the request of the other, unless otherwise provided, such approval or such request shall be given for the Corporation by the Corporation's Representative and for the City by the City Representative, and the Corporation and the City shall be authorized to act on any such approval or request.

Section 10.3 Compliance With Requirements. During the Term, the City and the Corporation shall observe and comply promptly with all current and future orders of all courts having jurisdiction over the Property or any portion thereof, and all current and future requirements of all insurance companies writing policies covering the Property or any portion thereof.

ARTICLE XI USE BY OTHER PARTIES

Section 11.1 Use by Other Parties. The City and the Corporation hereby acknowledge and agree that the City may allow the Property to be used, from time to time, by other parties. Further, the City and the Corporation hereby acknowledge and agree that the use and possession of the Property by either party is subject to the Permitted Encumbrances.

Section 11.2 Tenant Excluded Businesses. Neither the City, the Corporation, nor any tenants, licensees or users of space within the Property shall engage in the following activities on the Property: the operation of any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal activity of which is the sale of alcoholic beverages for consumption off premises.

ARTICLE XII EVENTS OF DEFAULT AND REMEDIES

Section 12.1 Events of Default Defined. The following shall be "Events of Default" under this Facilities Lease and the term "Default" shall mean, whenever it is used in this Facilities Lease, any one or more of the following events:

- (a) Failure by the City to pay Lease Payments on the dates specified herein.
- (b) Failure by the City to vacate or deliver the Property following an Event of Nonappropriation.
- (c) Failure by the City to observe or comply with the covenants and obligations of the City set forth in Section 11.2 above.
- (d) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 12.1(a), (b) or (c) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied shall have been given to the City by the Corporation, unless the Corporation shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Corporation will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until such failure is corrected.
- (e) The dissolution or liquidation of the City or the voluntary initiation by the City of any proceeding under any Federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the City of any such proceeding which shall remain undismissed for 60 days, or the entry by the City into an agreement of composition with creditors or the failure generally by the City to pay its debts as they become due.

Section 12.2 Remedies on Default. Whenever any Event of Default referred to in Section 12.1 of this Facilities Lease shall have happened and be continuing, the Corporation shall have the right to terminate the term of this Facilities Lease and shall give notice to the City to vacate the Property immediately. The Corporation may evict the City from the Property and take possession thereof and also exercise all the rights and remedies of a secured party.

Section 12.3 Waivers. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

the written consent of the Corporation and the City and, while any of the Notes are outstanding and are secured by the Leasehold Mortgage, the Lender.

Section 13.5 Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Facilities Lease, shall be a legal holiday or a day on which banking institutions in the City are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next day that is not a legal holiday or a day on which such banking institutions are not authorized by law to remain closed with the same force and effect as if done on the nominal date provided in this Facilities Lease.

Section 13.6 Severability. In the event that any provision of this Facilities Lease, other than the requirement of the City to pay Lease Payments and the requirement of the Corporation to provide quiet enjoyment of the Property shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.7 Execution in Counterparts. This Facilities Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.8 Applicable Law. This Facilities Lease shall be governed by and construed in accordance with the laws of the State of South Carolina.

Section 13.9 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Facilities Lease.

Section 13.10 Memorandum of Lease. The City and the Corporation agree to execute a memorandum of this Cycling Facilities Lease Facilities Lease upon execution and delivery hereof for recording with the office of the Register of Deeds of York County, South Carolina.

[Execution Pages Follow]

IN WITNESS WHEREOF, the Corporation has caused to be executed this Facilities Lease in its corporate name; and the City has caused to be executed this Facilities Lease in its name and the seal of the City affixed by its duly authorized officers. All of the above are effective as of the date first above written.

WITNESSES:

ROCK HILL CYCLING FACILITIES
CORPORATION

By: _____
Its: Vice President

WITNESSES:

CITY OF ROCK HILL, SOUTH CAROLINA

By: _____
Its: City Manager

(SEAL)

[Cycling Facilities Lease Execution Page]

STATE OF SOUTH CAROLINA)
)
COUNTY OF YORK)

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this ____ day of _____, 20 ____, by _____, Vice-President of Rock Hill Cycling Facilities Corporation (the "Corporation"), a nonprofit corporation organized and existing under the laws of the State of South Carolina, on behalf of the Corporation.

Notary Public for South Carolina
Commission Expires: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF YORK)

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this ____ day of _____, 20 ____, by _____ the City Manager of the City of Rock Hill, South Carolina (the "City") a body politic and corporate and a political subdivision of the State of South Carolina, on behalf of the City.

Notary Public for South Carolina
Commission Expires: _____

EXHIBIT A

Description of Land

That certain piece, parcel or lot of land located within the City and being more fully described and identified as "Tract 'B'" upon plat of survey of Pittman Professional Land Surveying entitled SUBDIVISION SURVEY FOR GREENS OF ROCK HILL, LLC LOCATED AT 2850 CHERRY ROAD, ROCK HILL, SC 29730, dated November 2, 2010 and recorded on _____, 2010 in Plat Book ____, Page ____, in the Office of the Register of Deeds for York County, South Carolina.

EXHIBIT B

Payment Schedule

Lease Payment Dates	Semiannual Lease Payment Amount
The 1 st day of January and the 1 st day of July, commencing July 1, 2011, and ending January 1, 2018.	\$136,900.50
The 1 st day of January and the 1 st day of July, commencing July 1, 2018, and ending January 1, 2028.	\$278,043.70
The 1 st day of January and the 1 st day of July, commencing July 1, 2028, and ending January 1, 2041.	\$754.60

EXHIBIT C

Permitted Encumbrances

1. Base Lease Agreement between the City of Rock Hill, South Carolina and Rock Hill Cycling Facilities Corporation dated December 29, 2010.
2. The Development Agreement, Project Management Agreement and Cycling Management Agreement.
3. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Land that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.

Exhibit F

Form of Development Agreement

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (“Agreement”) is entered into as of December 29, 2010 by and between the City of Rock Hill, South Carolina (“City”), a municipal corporation and political subdivision duly existing under the laws of the State of South Carolina (the “State”), and Rock Hill Cycling Facilities Corporation (“Corporation”), a nonprofit corporation organized and existing under the laws of the State.

WHEREAS, a dynamic tourism industry fosters and enhances the economic growth and well being of a community and its residents. Tourism, and particularly tourism related to athletics and other recreational activities, has been and continues to be a growing industry for the City; and

WHEREAS, the City has determined that the acquisition, construction, installation and equipping of a velodrome cycling facility together with all necessary or desirable amenities, improvements and infrastructure, including, but not limited to, a roadway providing proper access to such facility (such facility, amenities, improvements, related equipment and infrastructure, the “Cycling Facilities”, and the acquisition, construction, installation and equipping of such Cycling Facilities, the “Project”) will benefit the public by encouraging tourism, thereby enhancing the economic growth and well being of the City and its residents; and

WHEREAS, the City may expend public funds for public purposes in accordance with the applicable provisions of the Constitution of the State and the decisions of the State Supreme Court. Specifically, the cases of Byrd v. County of Florence, 315 S.E.2d 804 (S.C. 1984) and Nichols v. South Carolina Research Authority, 351 S.E.2d 155 (S.C. 1986), formulate a four-point standard by which the public purpose of certain expenditures of public funds are tested for constitutionality, and the undertaking of the Project and of this Agreement conform to this standard; and

WHEREAS, in that connection, the City and the Corporation desire to enter into this Agreement to facilitate the commencement and completion of the Project upon that certain piece, parcel or lot of land owned by and located within the City and comprising a portion or portions of the site located on or near the Catawba River and commonly known or referred to as the Riverwalk Development (“Land”) such Land being more fully shown and designated as “TRACT ‘B’” on plat of survey of Pittman Professional Land Surveying dated November 2, 2010 and entitled “SUBDIVISION SURVEY FOR GREENS OF ROCK HILL, LLC LOCATED AT 2850 CHERRY ROAD” (“Survey”), a copy of which Survey is attached as Exhibit A hereto and incorporated herein by reference; and

WHEREAS, pursuant to that certain Base Lease (“Base Lease”) entered into by and between the City and the Corporation of even date herewith, the City has agreed to lease to the Corporation, and the Corporation has agreed to lease from the City, the Land, together with all Improvements and Equipment (each as defined in the Base Lease, and collectively, comprising the “Property”, as such term is defined in the Base Lease); and

WHEREAS, pursuant to that certain Cycling Facilities Lease Agreement entered into by and between the Corporation and the City of even date, the Corporation has agreed to lease back to the City, and the City has agreed to lease from the Corporation, the Property; and

WHEREAS, the City and the Corporation desire the Corporation to commence and complete the Project on the Land pursuant to the terms and provisions set forth herein;

NOW, THEREFORE, in consideration of the promises and mutual covenants and agreements herein contained, the City and the Corporation, agree as follows:

Section 1. Agreement to Develop. Subject to the limitations and restrictions set forth herein, the Corporation will undertake and complete the Project generally in accordance with the plans and specifications provided by the City to the Corporation prepared or to be prepared by Celriver Services, LLC and/or Greens of Rock Hill, LLC (collectively, the "Project Plans"). The Corporation shall complete the Project on or before December 29, 2011. The City agrees that it will extend the deadline to complete the Project for delays beyond the reasonable control of the Corporation; provided, however, that the City shall not extend such deadline without the prior written consent of any lender of the Obligations (as such term is defined below).

Section 2. Development Cost. The Corporation shall procure financing in the form of one or more loans in the total aggregate original principal amount of \$5,000,000 (the "Obligations"), and will expend all proceeds of such Obligations in the completion of the Project, including payment for soft costs related to the Project subject to any requirements of any lender of the Obligations and of Rev. Proc. 82-26.

Section 3. Davis-Bacon Act. The City and the Corporation acknowledge that construction of the Project must be in compliance with applicable Davis-Bacon standards under 40 U.S.C. 276(a).

Section 4. Discharge and Maturity of Obligations. The Corporation acknowledges and agrees that (i) any debt or obligations issued by the Corporation, other than the Obligations, either to make improvements to the Project or to refund all or part of the Obligations or any other debt or obligations issued by the Corporation will be discharged no later than the latest maturity date of the Obligations, and (ii) the maturity date of the Obligations or any other obligations issued by the Corporation with respect to the Project may not be extended beyond the latest maturity date of the original Obligations, regardless of whether the original Obligations are callable at an earlier date.

Section 5. Replacement of Property. The Corporation shall, to the extent necessary (if at all) replace the Cycling Facilities, or any part thereof, at any time after completion of the Project so that (i) a reasonable estimate of the fair market value of the Cycling Facilities on the latest maturity date of the Obligations shall under no circumstance be less than a minimum of at least 20 percent of the original cost of the property financed by the Obligations in accordance with Rev. Proc. 82-26, and (ii) a reasonable estimate of the remaining useful life of the Cycling Facilities on the latest maturity date of the Obligations shall under no circumstance be less than the longer of one year or 20 percent of the originally estimated useful life of the property financed by the Obligations.

Section 6. Termination of Agreement. This Agreement shall continue in full force and effect until the expiration or termination of the Base Lease. Upon expiration or termination of the Base Lease, this Agreement shall terminate without further action of the parties hereto.

Section 7. Agreement Binding. This Agreement shall be binding upon the parties hereto, their respective successors and assigns; provided, however, that neither this Agreement nor any of the rights or obligations of the parties hereto may be assigned by either party hereto without the express

written consent of the nonassigning party, such consent not to be unreasonably withheld.

Section 8. Severability. The provisions of this Agreement are declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.

Section 9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State without giving effect to any choice or conflict of law provision or rule (whether of the State or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State.

[execution page follows]

IN WITNESS WHEREOF, the parties to this Development Agreement have hereunto set their hands and executed this Agreement as of the 29th day of December, 2010.

ROCK HILL CYCLING FACILITIES CORPORATION

By: _____
Its: Vice-President

CITY OF ROCK HILL, SOUTH CAROLINA

By: _____
Its: City Manager

Exhibit F
Form of Development Agreement

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (“Agreement”) is entered into as of December 29, 2010 by and between the City of Rock Hill, South Carolina (“City”), a municipal corporation and political subdivision duly existing under the laws of the State of South Carolina (the “State”), and Rock Hill Cycling Facilities Corporation (“Corporation”), a nonprofit corporation organized and existing under the laws of the State.

WHEREAS, a dynamic tourism industry fosters and enhances the economic growth and well being of a community and its residents. Tourism, and particularly tourism related to athletics and other recreational activities, has been and continues to be a growing industry for the City; and

WHEREAS, the City has determined that the acquisition, construction, installation and equipping of a velodrome cycling facility together with all necessary or desirable amenities, improvements and infrastructure, including, but not limited to, a roadway providing proper access to such facility (such facility, amenities, improvements, related equipment and infrastructure, the “Cycling Facilities”, and the acquisition, construction, installation and equipping of such Cycling Facilities, the “Project”) will benefit the public by encouraging tourism, thereby enhancing the economic growth and well being of the City and its residents; and

WHEREAS, the City may expend public funds for public purposes in accordance with the applicable provisions of the Constitution of the State and the decisions of the State Supreme Court. Specifically, the cases of Byrd v. County of Florence, 315 S.E.2d 804 (S.C. 1984) and Nichols v. South Carolina Research Authority, 351 S.E.2d 155 (S.C. 1986), formulate a four-point standard by which the public purpose of certain expenditures of public funds are tested for constitutionality, and the undertaking of the Project and of this Agreement conform to this standard; and

WHEREAS, in that connection, the City and the Corporation desire to enter into this Agreement to facilitate the commencement and completion of the Project upon that certain piece, parcel or lot of land owned by and located within the City and comprising a portion or portions of the site located on or near the Catawba River and commonly known or referred to as the Riverwalk Development (“Land”) such Land being more fully shown and designated as “TRACT ‘B’” on plat of survey of Pittman Professional Land Surveying dated November 2, 2010 and entitled “SUBDIVISION SURVEY FOR GREENS OF ROCK HILL, LLC LOCATED AT 2850 CHERRY ROAD” (“Survey”), a copy of which Survey is attached as Exhibit A hereto and incorporated herein by reference; and

WHEREAS, pursuant to that certain Base Lease (“Base Lease”) entered into by and between the City and the Corporation of even date herewith, the City has agreed to lease to the Corporation, and the Corporation has agreed to lease from the City, the Land, together with all Improvements and Equipment (each as defined in the Base Lease, and collectively, comprising the “Property”, as such term is defined in the Base Lease); and

WHEREAS, pursuant to that certain Cycling Facilities Lease Agreement entered into by and between the Corporation and the City of even date, the Corporation has agreed to lease back to the City, and the City has agreed to lease from the Corporation, the Property; and

WHEREAS, the City and the Corporation desire the Corporation to commence and complete the Project on the Land pursuant to the terms and provisions set forth herein;

NOW, THEREFORE, in consideration of the promises and mutual covenants and agreements herein contained, the City and the Corporation, agree as follows:

Section 1. Agreement to Develop. Subject to the limitations and restrictions set forth herein, the Corporation will undertake and complete the Project generally in accordance with the plans and specifications provided by the City to the Corporation prepared or to be prepared by Celriver Services, LLC and/or Greens of Rock Hill, LLC (collectively, the "Project Plans"). The Corporation shall complete the Project on or before December 29, 2011. The City agrees that it will extend the deadline to complete the Project for delays beyond the reasonable control of the Corporation; provided, however, that the City shall not extend such deadline without the prior written consent of any lender of the Obligations (as such term is defined below).

Section 2. Development Cost. The Corporation shall procure financing in the form of one or more loans in the total aggregate original principal amount of \$5,000,000 (the "Obligations"), and will expend all proceeds of such Obligations in the completion of the Project, including payment for soft costs related to the Project subject to any requirements of any lender of the Obligations.

Section 3. Davis-Bacon Act. The City and the Corporation acknowledge that construction of the Project must be in compliance with applicable Davis-Bacon standards under 40 U.S.C. 276(a).

Section 4. Discharge and Maturity of Obligations. The Corporation acknowledges and agrees that (i) any debt or obligations issued by the Corporation, other than the Obligations, either to make improvements to the Project or to refund all or part of the Obligations or any other debt or obligations issued by the Corporation will be discharged no later than the latest maturity date of the Obligations, and (ii) the maturity date of the Obligations or any other obligations issued by the Corporation with respect to the Project may not be extended beyond the latest maturity date of the original Obligations, regardless of whether the original Obligations are callable at an earlier date.

Section 5. Replacement of Property. The Corporation shall, to the extent necessary (if at all) replace the Cycling Facilities, or any part thereof, at any time after completion of the Project so that (i) a reasonable estimate of the fair market value of the Cycling Facilities on the latest maturity date of the Obligations shall under no circumstance be less than a minimum of at least 20 percent of the original cost of the property financed by the Obligations in accordance with Internal Revenue Service Revenue Procedure 82-26 ("Rev. Proc. 82-26"), and (ii) a reasonable estimate of the remaining useful life of the Cycling Facilities on the latest maturity date of the Obligations shall under no circumstance be less than the longer of one year or 20 percent of the originally estimated useful life of the property financed by the Obligations.

Section 6. Termination of Agreement. This Agreement shall continue in full force and effect until the expiration or termination of the Base Lease. Upon expiration or termination of the Base Lease, this Agreement shall terminate without further action of the parties hereto.

Section 7. Agreement Binding. This Agreement shall be binding upon the parties hereto, their respective successors and assigns; provided, however, that neither this Agreement nor any of the rights or obligations of the parties hereto may be assigned by either party hereto without the express

written consent of the nonassigning party, such consent not to be unreasonably withheld.

Section 8. Severability. The provisions of this Agreement are declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.

Section 9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State without giving effect to any choice or conflict of law provision or rule (whether of the State or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State.

[execution page follows]

IN WITNESS WHEREOF, the parties to this Development Agreement have hereunto set their hands and executed this Agreement as of the 29th day of December, 2010.

ROCK HILL CYCLING FACILITIES CORPORATION

By: _____
Its: Vice-President

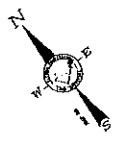
CITY OF ROCK HILL, SOUTH CAROLINA

By: _____
Its: City Manager

Exhibit A

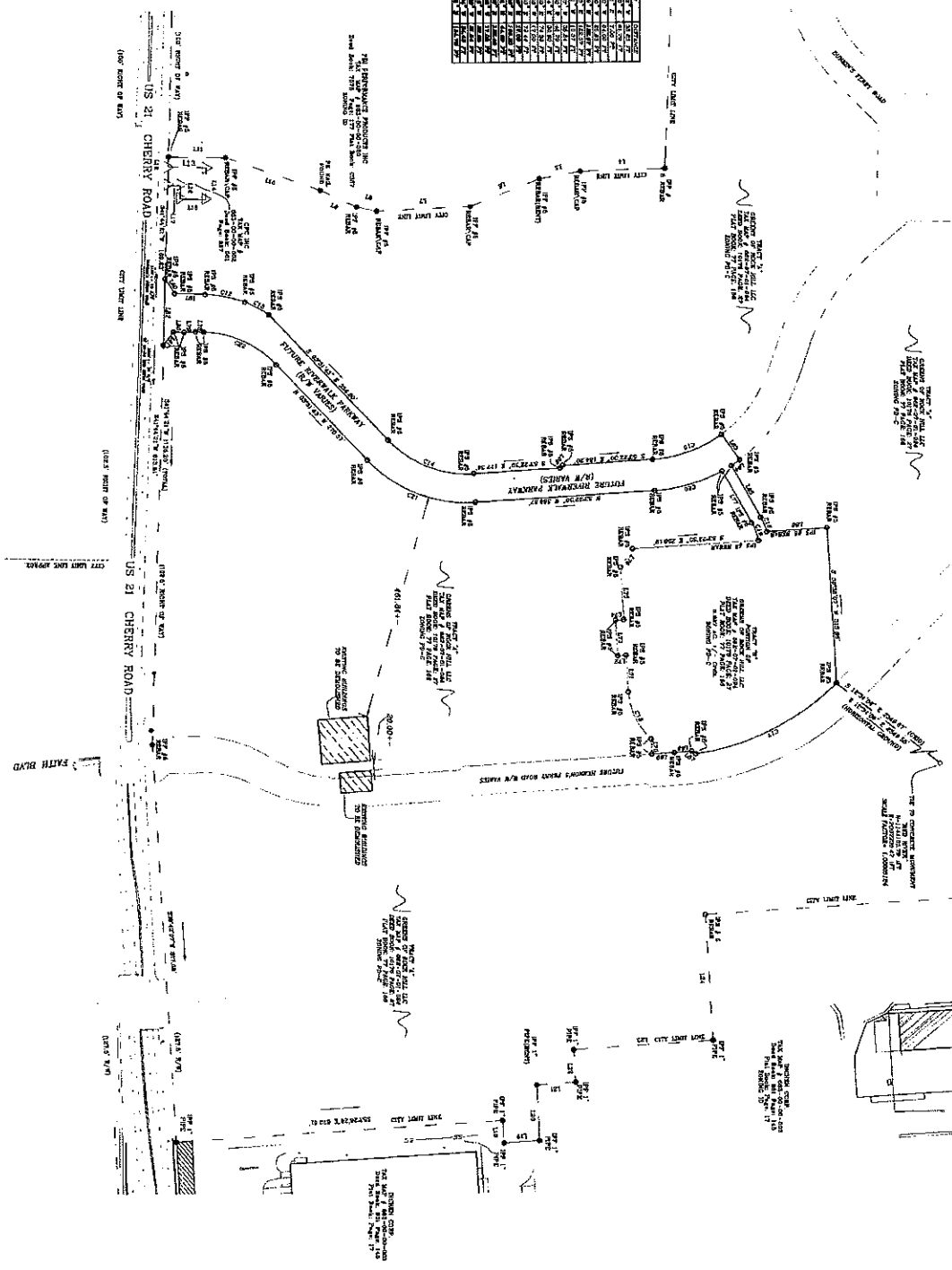
Land

[see attached survey]



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NO.	DESCRIPTION	AREA	PERCENTAGE	ADJACENT PROPERTY
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NOTICE:
 1. THE CITY OF ROCK HILL HAS REVIEWED THIS SUBDIVISION SURVEY AND HAS DETERMINED THAT IT COMPLIES WITH THE CITY CHARTER AND ORDINANCES.
 2. THE CITY OF ROCK HILL DOES NOT GUARANTEE THE ACCURACY OF THIS SURVEY.
 3. THE CITY OF ROCK HILL DOES NOT ASSUME LIABILITY FOR ANY DAMAGES ARISING OUT OF THE USE OF THIS SURVEY.
 4. THE CITY OF ROCK HILL DOES NOT WARRANT THE TITLE OF THE LAND DESCRIBED IN THIS SURVEY.
 5. THE CITY OF ROCK HILL DOES NOT WARRANT THE VALIDITY OF ANY EASEMENTS OR INTERESTS CLAIMED IN THIS SURVEY.
 6. THE CITY OF ROCK HILL DOES NOT WARRANT THE ACCURACY OF ANY MEASUREMENTS OR CALCULATIONS MADE IN THIS SURVEY.
 7. THE CITY OF ROCK HILL DOES NOT WARRANT THE COMPLETION OF ANY EASEMENTS OR INTERESTS CLAIMED IN THIS SURVEY.
 8. THE CITY OF ROCK HILL DOES NOT WARRANT THE ACCURACY OF ANY MEASUREMENTS OR CALCULATIONS MADE IN THIS SURVEY.
 9. THE CITY OF ROCK HILL DOES NOT WARRANT THE COMPLETION OF ANY EASEMENTS OR INTERESTS CLAIMED IN THIS SURVEY.
 10. THE CITY OF ROCK HILL DOES NOT WARRANT THE ACCURACY OF ANY MEASUREMENTS OR CALCULATIONS MADE IN THIS SURVEY.



S1	SUBDIVISION SURVEY FOR GREENS OF ROCK HILL, LLC LOCATED AT 2850 CHERRY ROAD, ROCK HILL, SC 29730 803-384-7768		 PHOTO CONTROL SURVEYS CONSTRUCTION SURVEYS BOUNDARY SURVEYS METEOROLOGICAL SURVEYS	PROJECT No: M243K1	No. 1	DATE 11.2.2010	REVISION REVISED PROPERTY LINE
	DATE 11.2.2010	SCALE 1"=100'		DES. KCH	DR. KCH	CKD.	
CITY OF ROCK HILL, YORK COUNTY, SOUTH CAROLINA		P.O. BOX 1572, FORT MILL, SC 29716 (803) 547-1368 FAX (803) 547-5746					

Exhibit G

Form of Project Management Agreement

PROJECT MANAGEMENT AGREEMENT

THIS PROJECT MANAGEMENT AGREEMENT ("Agreement") dated as of the 29th day of December, 2010 is made and entered into by and between the City of Rock Hill, South Carolina ("City"), a municipal corporation and political subdivision duly existing under the laws of the State of South Carolina ("State"), and Rock Hill Cycling Facilities Corporation ("Corporation"), a nonprofit corporation organized and existing under the laws of the State.

WITNESSETH:

WHEREAS, a dynamic tourism industry fosters and enhances the economic growth and well being of a community and its residents. Tourism, and particularly tourism related to athletics and other recreational activities, has been and continues to be a growing industry for the City; and

WHEREAS, the City has determined that the acquisition, construction, installation and equipping of a velodrome cycling facility together with all necessary or desirable amenities, improvements and infrastructure, including, but not limited to, a roadway providing proper access to such facility (such facility, amenities, improvements, related equipment and infrastructure, the "Cycling Facilities", and the acquisition, construction, installation and equipping of such Cycling Facilities, the "Project") will benefit the public by encouraging tourism, thereby enhancing the economic growth and well being of the City and its residents; and

WHEREAS, in that connection, the City and the Corporation have entered into that certain Development Agreement ("Development Agreement") of even date herewith to facilitate the commencement and completion by the Corporation of the Project; and

WHEREAS, the City has approved various actions and agreements to assist with the financing procured by the Corporation for the Project ("Financing Plan"), which Financing Plan is to include, among other things, loans constituting one or more "qualified low income community investment" pursuant to Section 45(D) of the Internal Revenue Code of 1986, as amended; and

WHEREAS, the Corporation has entered or will enter into, or has received or will receive from the City, by assignment and assumption, certain contracts and agreements as may be necessary or desirable for the construction and equipping of the Project (all such contracts and agreements, the "Contracts") with general contractors, subcontractors, material and/or labor suppliers or other vendors (any such parties, "Contractors"); and

WHEREAS, the City and the Corporation desire for the City to oversee the design, acquisition, construction, installation and equipping of the Project;

NOW THEREFORE, the City and the Corporation, in consideration of the mutual covenants and agreements herein contained, do hereby agree to the following:

Section 1. Project Management. The City will manage the design, acquisition, construction, installation, equipping and improvement of the Project so that such activities are conducted in accordance with the Contracts. The City shall be responsible for the bidding and awarding of Contracts with the approval of the Corporation. The City shall be responsible for preparing, administering, amending and enforcing the Contracts. The City will assign a construction project manager and other staff, as designated by the City Manager or his/her designee, to undertake the following activities:

1.1. *Inspections.* Conduct a minimum of two on-site inspections (“Inspections”) for the Project per week prior to completion.

1.2. *Inspection Reports.* Prepare a written inspection report for each Inspection (“Inspection Report”) describing ongoing construction, site and weather conditions, and noting any suspected discrepancies and/or failure of Contractors to comply with the terms of the Contracts.

1.3. *Lender Access.* Maintain copies of Inspection Reports and provide copies of the same by facsimile, email, or hardcopy to the Corporation and any lender participating in the Financing Plan or otherwise providing capital to the Corporation for the completion of the Project (“Lenders”) including, but not limited to, Carolina First Community Development Corporation (“CFCDC”).

1.4. *Communication; Coordination.* Communicate and coordinate regularly with responsible construction or design professionals under the Contracts to address any construction deficiencies or issues.

1.5. *Payment Application Review Attendance.* Attend monthly Contractor payment application review meetings with the representatives of any prime or general contractor(s), responsible design professional(s) or representatives of other Contractors as necessary to ensure the prompt and accurate payment of valid invoices associated with the Project.

1.6. *Payment Recommendations.* Assemble all approved pay applications and accompanying documentation (partial lien waivers, stored materials, etc.) required by any Lender pursuant to any agreements executed by the Corporation, and make recommendations with respect to all payment applications to the Corporation and Lenders, including recommendations of payment, adjustment or denial, on forms prescribed by the Corporation or any Lender.

1.7. *Closeout Documentation.* Assemble all construction closeout documentation for the Project, including, but not limited to, “as built drawings,” documentation of final release of liens, project manuals, equipment owner’s manuals, and warranty information.

1.8. *Miscellaneous.* Provide other inspection and coordination services for the Project as may be mutually agreed by the City and the Corporation.

Section 2. City Shall be Agent of the Corporation. The City shall be the Corporation's agent for purposes of completing the Project and replacing any portion of the Cycling Facilities after completion of the Project as required by the Development Agreement. The City agrees that any such replacement shall be performed in a manner that will not adversely affect the fair market value or useful life of the Cycling Facilities. Subject to any approval rights of CFCDC set forth in the Loan Agreement (the "Loan Agreement") between the Corporation and CFCDC of even date herewith, the Mortgage (as defined in the Loan Agreement) or the Loan Documents (as defined in the Loan Agreement), the City, in its discretion and at its expense, may remodel or make such additions, modifications and improvements to the Project as it may deem to be desirable; provided, that no such additions, modifications or improvements shall adversely affect the structural integrity or strength of, or materially interfere with the ordinary and intended use and operation of, the Project. In this connection, the City may remove any fixtures or items of personal property located on the Project; provided that such fixtures or items of personal property are not subject to any lien or security interest granted by the Corporation to any Lender pursuant to the Financing Plan; and provided further that, the City shall repair any damage resulting from such removal. The obligations of the City under this Agreement with respect to the Project shall also extend to and include any replacement of all or part of the Cycling Facilities required by the terms and provisions of the Development Agreement.

Section 3. Davis-Bacon Act. The City and the Corporation acknowledge that construction of the Project must be in compliance with applicable Davis-Bacon standards under 40 U.S.C. 276(a).

Section 4. City Compensation; Payment. Provided the Corporation is then current on all debt service payments and not otherwise in default under any of the Loan Documents, and subject to the prior written consent of CFCDC, the Corporation may pay to the City amounts for management of the Project, including, but not limited to, the provision of construction phase management and coordination, and inspection services and completion of the Project in fulfillment of the City's obligations set forth herein and in the Development Agreement. The foregoing shall not create an obligation on the part of the Corporation to make any such payment.

Section 5. Defaults Under the Contracts. In the event of any material default by a Contractor under any of the Contracts, or in the event of a material breach of warranty by any Contractor with respect to any property, fixtures, materials, workmanship or performance under any Contracts, the City and the Corporation shall promptly proceed to pursue diligently such remedies as are available against the applicable supplier, contractor or subcontractor and/or against any surety of any bond securing the performance of the Contracts.

Section 6. Default. Failure by the City or the Corporation to observe and perform or

comply with its obligations under this Agreement for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given by the other party hereto shall constitute an "Event of Default". In the event of such an Event of Default, the City or the Corporation, as the case may be, may take whatever action at law or in equity which may appear necessary or desirable to enforce its rights under this Agreement.

Section 7. Miscellaneous.

7.1. *Severability.* Should any provision(s) of this Agreement be held invalid by a court of competent jurisdiction in whole or in part, such provision(s) shall be deemed severed from the remainder of this Agreement, and the remainder of this Agreement shall continue in full force and effect.

7.2. *Amendments.* This Agreement may not be amended, modified or changed, except by an instrument in writing and signed by both parties hereto.

7.3. *Assignment.* Neither the party hereto shall assign this Agreement or the rights or obligations hereunder without the prior written consent of the other party. The City hereby consents to the Corporation's assignment of this Agreement or its rights or obligations hereunder, to CFCDC pursuant to that certain Assignment of Contracts, Contract Rights, Deposits, Leases, Rents and Revenues of even date herewith.

7.4. *Entire Agreement.* This Agreement contains the sole and entire understanding between the parties with respect to the covenants and agreements contained herein, and all other promises, inducements, offers, solicitations, agreements, representations and warranties heretofore made between the parties, if any, are merged into this Agreement. The foregoing shall not be interpreted to merge the Development Agreement into this Agreement.

7.5. *Notices.* All, notices, requests, demands, or other communications required or permitted to be given hereunder shall be in writing and shall be addressed and delivered by hand or by certified mail, return receipt requested, or by overnight courier, or by fax, with evidence of delivery, to each party at the addresses set forth below. Any such notice, request, demand or other communication shall be considered given or delivered, as the case may be, on the date of delivery. Rejection or other refusal to accept or inability to deliver because of changed address of which proper notice was not given shall be deemed to be receipt of the notice, request, demand or other communication. By giving prior written notice thereof, any party, from time to time, may change its address for notices hereunder.

If to the City:

City of Rock Hill, South Carolina
Attention: City Manager
155 Johnson Street
Rock Hill, South Carolina 29731-1706

If to the Corporation:

Rock Hill Cycling Facilities Corporation
Attention: President
155 Johnson Street
Rock Hill, South Carolina 29731-1706

7.6. *Counterparts.* This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same agreement.

7.7. *Successor and Assigns; Termination.* This Agreement shall be binding on the parties hereto, their heirs, successors and assigns. This Agreement may only be terminated with the consent of all parties hereto.

7.8. *Choice of Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

7.9. *No Continuing Waiver.* The waiver of any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

[execution page follows]

IN WITNESS WHEREOF, the undersigned have hereunto executed this Project Management Agreement the date first written above.

ROCK HILL CYCLING FACILITIES CORPORATION

By: _____
Name:
Title: Vice President

CITY OF ROCK HILL, SOUTH CAROLINA

By: _____
Name:
Title: City Manager

Exhibit H

Form of Cycling Facilities Management Agreement

CYCLING FACILITIES MANAGEMENT AGREEMENT

THIS CYCLING FACILITIES MANAGEMENT AGREEMENT ("Agreement") is entered into by and between the City of Rock Hill, South Carolina ("City"), a political subdivision duly existing under the laws of the State of South Carolina, and Rock Hill Cycling Facilities Corporation ("Corporation"), a South Carolina nonprofit corporation, as of December 29, 2010.

WITNESSETH

Section 1. Recitals

WHEREAS, the Corporation has been duly created and organized under the laws of the State of South Carolina ("State") to carry out the purposes stated in its Articles of Incorporation, among which are:

(a) to assist the City by acquiring, developing, selling, donating, contributing, owning, operating, leasing or managing, real property and improvements thereon in the City, including, but not limited to, cycling facilities and equipment, for the use and benefit of the City, its citizens and visitors, or by granting to third parties rights of access, use, possession and enjoyment of such real property and improvements thereon for the purpose of constructing, operating or managing such real property and improvements, or any portion thereof, for the use and benefit of the City, its citizens and visitors, and to other wise take such action as may assist the City as permitted by applicable law;

(b) to carry on or engage in any other activities which the Corporation may deem necessary, proper or convenient with the purposes hereinabove stated; provided however, that the Corporation shall at all times be operated as a nonprofit corporation as provided in the South Carolina Nonprofit Corporation Act of 1994; and

(c) to exercise all the rights, privileges, powers, and immunities available to nonprofit corporations under the laws of the State; and

WHEREAS, in order to provide for an efficient use of its resources and gain access to certain financing and funding that would not otherwise be available to pay the costs associated with the acquisition, construction and installation of a velodrome cycling facility and related improvements and equipment (the "Project") located in the City, the City and the Corporation have sought and developed, together with Carolina First Community Development Corporation ("CFCDC"), a financing plan (the "Financing Plan") which includes, among other things, the utilization of New Markets Tax Credits provided for under Section 45(D) of the Internal Revenue Code of 1986, as amended, certain loans (the "Loans") in the total amount of \$5,000,000 from CFCDC, and the execution and delivery of various loan documents (the "Loan Documents") between the Corporation and CFCDC; and

WHEREAS, in order to implement the Financing Plan, the Corporation and City have:

(a) executed and entered into a Base Lease Agreement of even date herewith (the "Base Lease"), pursuant to which Base Lease the Corporation will lease from the City certain real property located within the City together with all improvements thereon (the "Property"), such Property being more fully described in the Base Lease; and

(b) executed and entered into an Cycling Facilities Lease Agreement of even date herewith (the "Facilities Lease"), pursuant to which Facilities Lease the City shall lease the Property back from the Corporation; and

WHEREAS, the City and the Corporation desire for the City or such third party as it may designate to operate, manage and maintain the Property during the term of the Base Lease as more specifically set forth herein;

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements contained herein, and other good and valuable consideration, receipt of which is hereby acknowledged, the City and Corporation agree as follows:

Section 2. Management of Property. The Corporation and the City covenant and agree that the City shall have and retain for itself or its assignee the sole right and obligation to operate, manage and maintain the Property during the term of the Base Lease.

Section 3. Use of Property. All Property shall be generally used for cycling or cycling related purposes by the public including, but not limited to, access to, parking for and other activities necessary or convenient for the use of such cycling facilities.

Section 4. Maintenance and Repair. The City shall maintain the Property in good condition, as determined by the City in its sole discretion, and shall make any necessary repairs in a good and workmanlike fashion.

Section 5. Assignment or Appointment. The parties acknowledge and agree that the City may contract with one or more third parties ("Operators") to perform certain functions or services on the Property or any part thereof during the term of this Agreement, and that the City may, to the extent necessary or desirable in the City's sole discretion, assign any or all of its rights or obligations under this Agreement to one or more Operators or otherwise appoint one or more Operators to exercise the City's rights or fulfill the City's obligations hereunder without further action or consent of the Corporation.

Section 6. Management Fee. In consideration of the City's undertaking of the operation, management and maintenance of the Property, any funds or revenues retained by the Corporation as of June 30 of any year during the period commencing as of the date hereof and ending on the June 30 following the end of the term of the Base Lease, after payment of all costs and expenses of any kind, including debt service, of the Corporation incurred with respect to such fiscal year in connection with the Project, shall be paid to the City as promptly as reasonably possible after the end of such fiscal year.

Section 7. Assignment. The covenants, conditions and agreements contained in this Agreement shall bind and inure to the benefit of the City and the Corporation and their respective successors and assigns; provided, however, that the Corporation shall not assign or otherwise transfer its interests herein without prior written consent of the City which consent may be given or withheld for any reason or no reason. Notwithstanding the foregoing, the Corporation and the City consent to the Corporation's assignment of its interest in this Agreement to CFCDC pursuant to an Assignment of Contracts, Contract Rights, Deposits, Leases, Rents, and Revenues of even date herewith between the Corporation and CFCDC.

Section 9. Miscellaneous. This Agreement shall be subject to the following:

(a) There are no oral or verbal understandings between the City and the Corporation concerning the subject matter of this Agreement, and this Agreement may not be modified in any manner other than by agreement in writing signed by all parties hereto, or their successors in interest or assigns.

(b) The City and the Corporation shall conform to and observe all lawful ordinances, rules and regulations of the United States of America, State of South Carolina, and City of Rock Hill, and all public authorities, boards or offices, relating to the Property or the use thereof and will not during such term permit the Property to be used for any illegal or immoral purpose, business or occupation.

(c) No waiver of any condition or covenant in this Agreement, or of any breach thereof, shall be taken to constitute a waiver of any subsequent breach.

Section 10. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

[execution page follows]

IN WITNESS WHEREOF, the City and Corporation have executed and entered into this Agreement as of the date first set forth above.

CITY:

City of Rock Hill, South Carolina

By: _____
Its: City Manager

CORPORATION:

Rock Hill Cycling Facilities Corporation

By: _____
Its: Vice President