

STATE OF SOUTH CAROLINA)
)
COUNTY OF BARNWELL) A RESOLUTION OF
)
) BARNWELL COUNTY, SOUTH CAROLINA

**DECLARING THE COUNTY'S INTENT TO REIMBURSE
ITSELF FOR CERTAIN EXPENDITURES MADE PRIOR TO
THE COUNTY'S CONSUMMATION OF A FEDERALLY TAX-
EXEMPT FINANCING.**

WHEREAS, the Internal Revenue Service and U.S. Treasury Department have promulgated Section 1.150-2 of the Treasury Regulations ("Regulations") that authorizes an issuer to reimburse itself for expenditures made with respect to projects prior to the issuance of tax-exempt obligations for the projects; and

WHEREAS, the Regulations require that the governing body of the political subdivision declare an official intent to reimburse an expenditure prior to the incurrence of the expenditure; and

WHEREAS, Barnwell County, South Carolina ("County"), has and anticipates incurring certain expenditures in an amount not exceeding \$20,000,000 ("Expenditures") for the acquisition, construction or renovation of a building to serve as the County jail (collectively, "Project") prior to the County's consummation of a federally tax-exempt financing for that purpose.

THE COUNTY COUNCIL OF BARNWELL COUNTY, SOUTH CAROLINA, RESOLVES:

The Council declares this Resolution shall constitute its declaration of official intent pursuant to Regulation §1.150-2 to reimburse the County for Project-related expenditures incurred and paid on or after the date occurring 60 days prior to the date of adoption of this Resolution from the proceeds of federally tax-exempt obligations of the County.

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

The source of funds for the Expenditures with respect to the Project will be the County's general fund and capital projects fund.

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

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

Adopted August 10, 2010.

BARNWELL COUNTY, SOUTH CAROLINA



(SEAL)
ATTEST:

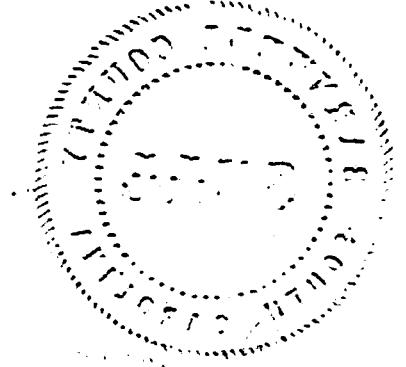

Thomas L. Williams, Chairman of County Council


LaToya Shuler, Clerk to Council
Barnwell County Council

Approved as to Form and Content.


J.D. Mosteller, III, Esquire, County Attorney
Barnwell County, South Carolina

[Faint, illegible handwritten text]



[Faint handwritten text]

[Faint, illegible handwritten text]