

HAYNSWORTH SINKLER BOYD

HAYNSWORTH SINKLER BOYD, P.A.
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CHARLESTON, SOUTH CAROLINA 29401
MAIN 843 722.3366
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[Closing Date], 2021

Board of Trustees of Medical University
Hospital Authority
Charleston, South Carolina

Re: \$[Exact Amount] University Hospital Authority Promissory Note (the “*Note*”) of even date herewith to the order of [Name of Bank].

Ladies and Gentlemen:

We have acted as bond counsel to the Medical University Hospital Authority (“*MUHA*”), an agency of the State of South Carolina (the “*State*”) established by Act 116 of the 1999 Acts and Joint Resolutions of the General Assembly of South Carolina, codified as §59-123-60 of the Code of Laws of South Carolina 1976, as amended (the “*Enabling Act*”), in connection with the issuance by MUHA of the Note. The Note has been issued to finance the purchase of substantially all of the assets of certain affiliates of Providence Holding Company, LLC and KershawHealth Holdings, LLC that are associated with, or are used in connection with, the ownership and/or operation of Providence Health Downtown and Providence Health - Northeast in Columbia, South Carolina; Providence Health - Fairfield in Winnsboro, South Carolina; and KershawHealth Medical Center in Camden, South Carolina, and associated clinical sites and services (including a clinic in Lancaster, South Carolina) (collectively, the “*Project*”). The Note evidences a loan (the “*Loan*”) from [Name of Bank] (the “*Lender/Bank*”) to MUHA in a principal amount equal to the face amount of the Note made under and pursuant to the provisions of a [Loan/Credit] Agreement (the “*[Loan/Credit] Agreement*”) of even date herewith by and between MUHA and the [Lender/Bank].

In our capacity as bond counsel to MUHA, we have prepared or reviewed the following:

1. The Enabling Act.
2. A certified copy of the Bylaws (the “*Bylaws*” and, together with the Enabling Act, the “*Organizational Documents*”) of the Board of Trustees of MUHA.
3. The Hospital Revenue Bond Act (the “*Hospital Revenue Bond Act*” and, together with the Enabling Act, the “*Acts*”), codified at Title 44, Chapter 7, Code of Laws of South Carolina, 1976 as amended.
4. A certified copy of the resolution of the Board of Trustees of MUHA adopted on June 25, 2021, authorizing the acquisition of the Project.
5. A certified copy of the resolution of the Board of Trustees of MUHA adopted on June 25, 2021, authorizing the financing of the Project and the issuance of the Note.
6. A Certificate of the Chief Executive Officer and Executive Director of MUHA and the Chief Financial Officer of MUHA of even date herewith.

HAYNSWORTH SINKLER BOYD

Board of Trustees of Medical University
Hospital Authority
[Closing Date], 2021
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7. Resolution of the South Carolina State Fiscal Accountability Authority adopted on June 29, 2021, authorizing the issuance of the Note subject to the approval of the State Treasurer of South Carolina (the "*State Treasurer*") as to the final terms of the Note.

8. A Certificate of the State Treasurer of even date herewith.

9. The Note and the [Loan/Credit] Agreement (collectively, the "*Loan Documents*").

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings, and court decisions. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. As to questions of fact material to our opinion, we have relied upon representations of MUHA, the certified proceedings and other certifications of public officials furnished to us, and certifications furnished by or on behalf of MUHA without undertaking to verify the same by independent investigation.

In preparation for the issuance of these opinions, we have examined the Constitution and laws of the State including, particularly, the Acts and such other papers, instruments, and documents in this matter as we have deemed necessary or advisable.

Based on the foregoing, we are of the opinion that:

(i) MUHA is duly created and validly existing as a public body corporate and politic and an agency of the State with the corporate power to enter into and perform the Loan Documents.

(ii) The Loan Documents have been duly authorized, executed, and delivered by MUHA and each of the Loan Documents constitutes a valid and binding agreement of MUHA, enforceable in accordance with its terms.

(iii) The Organizational Documents are in full force and effect.

It is to be understood that the rights of the parties under the Loan Documents are subject to general principles of equity that may permit the exercise of judicial discretion, the exercise of the sovereign police powers of the State and the constitutional powers of the United States of America and to applicable bankruptcy, insolvency, reorganization, moratorium, and other similar laws relating to or affecting creditors' rights generally. In addition, we express no opinion as to the validity of any indemnification obligation upon MUHA or any provisions of the Loan Documents that purport to excuse a party from liability for its own acts or that authorize a party to act in its sole discretion.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

HAYNSWORTH SINKLER BOYD

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June 29, 2021

South Carolina State Fiscal Accountability Authority
Columbia, South Carolina

Re: Not Exceeding \$80,000,000 Bridge Loan Financing for the Medical University Hospital Authority
("MUHA")

Ladies and Gentlemen:

We are acting as bond counsel in connection with the proposed incurrence by MUHA of the above-captioned indebtedness (the "**Bridge Loan Indebtedness**"). At your request, we are delivering this opinion in connection with MUHA's Petition (the "**Petition**") to the South Carolina State Fiscal Accountability Authority ("**SFAA**") dated June 25, 2021, to approve the incurrence of the Bridge Loan Indebtedness pursuant to §59-123-60, Code of Laws of South Carolina, 1976, as amended (the "**Enabling Act**"), which established MUHA, and §44-7-1590 of Title 44, Chapter 7, Code of Laws of South Carolina, 1976 as amended (the "**Hospital Revenue Bond Act**" and, together with the Enabling Act, the "**Acts**").

In that capacity, we have examined originals or copies of the Resolution of the Board of Trustees of MUHA adopted on June 25, 2021, the Petition, the form of a proposed Resolution, which we have prepared for SFAA's consideration and which, if adopted by SFAA, permits the incurrence of the Bridge Loan Indebtedness, the form of a certificate to be executed by the Executive Director and Chief Financial Officer of MUHA, and the forms of certificates to be executed by State Treasurer of South Carolina (collectively, the "**Authorization Documents**").

In rendering the opinions expressed below, we have relied only upon our examination of the Authorization Documents and such other documents, certificates and correspondence referenced above. We have not made or undertaken to make any investigation as to factual matters or as to the accuracy or completeness of any representation, warranty, data, or any other information, whether written or oral, that may have been made or may hereafter may be made by or on behalf of MUHA, SFAA, or the parties to the any of the documents related to the Bridge Loan Indebtedness. Further, in rendering the opinions expressed below, we do not purport to be experts in, generally familiar with, or qualified to express legal opinions based on, the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State of South Carolina (the "**State**"), and the opinions are limited to the federal laws of the United States of America and the laws of the State.

Based upon the stated examination and assumptions, and subject to the stated qualifications and limitations, we are of the opinion, under existing law, that the Authorization Documents comply with all requirements of the Acts and are legally sufficient and contain all facts, information, and findings by the respective authorities legally required to authorize SFAA to approve the incurrence of the Bridge Loan Indebtedness.

Except as set forth above, we express no opinion in connection with the incurrence of the Bridge Loan Indebtedness. The opinions expressed above are rendered solely for your benefit in considering the approval of the incurrence of the Bridge Loan Indebtedness under the Acts. The opinions expressed above may neither be relied on by you for any other purpose nor be used, circulated, quoted, or relied on by any other person or entity for any other purpose, without, in each instance, our prior written consent. We disclaim any obligation to update the opinion expressed above for events occurring or coming to our attention after the date of this letter.

Very truly yours,

June 28, 2021

VIA Hand Delivery

Mr. Delbert H. Singleton, Jr.
Authority Secretary
South Carolina State Fiscal Accountability Authority
612 Wade Hampton Office Building
Columbia, South Carolina 29201

Re: Not Exceeding \$80,000,000 Bridge Loan Indebtedness of the Medical University
Hospital Authority, Series 2021

Dear Mr. Singleton:

Regarding the above-referenced bond issuance, I have reviewed the following documents forwarded to the Office of the Attorney General by the South Carolina State Fiscal Accountability Authority (the "SFAA") as required by Regulation 19-102.03:¹

- (i) The Board of Trustees Finance Resolution ("Resolution");
- (ii) the Petition to the State Fiscal Accountability Authority (the "Petition"); and
- (iii) the proposed SFAA resolution.²

Based on the analysis below, I find these documents to be legally adequate.³

¹ Regulation 19-102.03 requires the Attorney General to review "...the inducement resolution or comparable preliminary approval, if any..." No inducement resolution or comparable preliminary approval was forwarded to the Office of the Attorney General, and therefore, has not been reviewed. This Office makes no finding as to the legal adequacy of such a document, if it exists.

Regulation 19-102.03 requires the Attorney General to review "...any required certificate" No certificate was forwarded to the Office of the Attorney General, and therefore, has not been reviewed. This Office makes no finding as to the legal adequacy of such a document, if it exists.

² Regulations 19-102.01 and 19-102.03 reference the Budget and Control Board. However, the State Fiscal Accountability Authority, which was established by the Restructuring Act of 2014, Act 121, now approves hospital revenue bond proposals.

³ In the context of this letter, the Office of the Attorney General defines "legally adequate" as meeting the regulatory or statutory requirements discussed herein.

The requirements for the Resolution and Petition are found in Regulation 19-102.01(B) and S.C. Code Ann. §§ 44-7-1590(A)(1)-(5), respectively⁴. I find that the Resolution and Petition meet their respective requirements, and are therefore legally adequate.

The requirements for the proposed SFAA resolution are found in Regulation 19-102.01(F) and S.C. Code Ann. § 44-7-1590(B), which provides that in order to for the SFAA to approve the proposal it must find "...that the proposal of the governing board is intended to promote the purposes of this article..." Therefore, if it is approved in its current form and becomes legally effective, I find that the proposed SFAA resolution would meet the requirements of Regulation 19-102.01(F) and S.C. Code Ann. § 44-7-1590(B) and therefore would be legally adequate.

This review was conducted solely to determine if the above-referenced documents are legally adequate as required by Regulation 19-102.03. This letter addresses only the question of whether the documents appear to meet the conditions imposed by the laws and regulations discussed above that certain specific matters be included in the documentation. No finding is made as to any other matters, including whether the Petition should be approved as a matter of policy, or the financial advisability or wisdom of approving the Petition.

Office of the Attorney General

By: _____
Harley L. Kirkland
Assistant Attorney General

⁴ Regarding S.C. Code Ann. § 44-7-1590(A)(5), I have not been made aware of any additional information required by the SFAA.



SOUTH CAROLINA OFFICE OF THE STATE AUDITOR
1401 Main Street, Suite 1200 • Columbia, SC 29201

June 18, 2021

Mr. Delbert H. Singleton, Jr., Authority Secretary
South Carolina State Fiscal Accountability Authority
Wade Hampton Building, Suite 600
Columbia, South Carolina 29201

Re: Not Exceeding \$80,000,000 Bridge Loan and Subsequent Mortgage; Medical University
Hospital Authority

Dear Mr. Singleton:

In accordance with South Carolina Regulation 19-102.03, we have reviewed financial information for Medical University Hospital Authority (MUHA) to evaluate its financial condition. We understand that the bridge loan proceeds will be used to finance the acquisition of certain subsidiaries of LifePoint Health LLC on or about July 31, 2021. The bridge loan will be repaid with the proceeds of a FHA insured mortgage through the Department of Housing and Urban Development (HUD).

Based on our review of MUHA audited financial information for fiscal years 2018 through 2020, forecasted post-acquisition financial statements for the acquired entities for fiscal years ending 2022 – 2026 and forecasted combined financial statements for MUHA and the acquired entities for fiscal year 2022, as well as our discussions with key entity management and consultants, MUHA appears to have sufficient financial resources to meet the debt service requirements of the indebtedness.

If you have questions or need for additional information, please contact me at 803-253-8929 or gkennedy@osa.sc.gov.

Sincerely yours

George L. Kennedy, III, CPA
State Auditor



New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 06/29/21

Final Version Date: 03/01/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: Medical University Hospital Authority Series: 2021

Borrower (if not Issuer): _____

Bond Caption: Bridge Loan Mortgage Indebtedness

Bond Resolution Amount: \$80,000,000 Est. Production/Par Amt: \$76,380,000

Submitted By:

ENTITY: Medical University Hospital Authority
 BY: Lisa M. Goodlett
 ITS: Chief Financial Officer
 Tel: 843.792.4775
 Email: goodlett@musc.edu

Transaction Type/Method of Sale:
 Public Offering: Competitive: _____ Negotiated: _____
 Direct Placement: Competitive: x Negotiated: _____
 Governmental Loan/Governmental Purchaser
 Other: _____

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): No

MSRB (EMMA) Continuing Disclosure Responsible Party: N/A

Final Production/Par Amt: \$0

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: MUSC - Project Heartland

Project Address/Location: Various Amount: \$76,380,000

Project Type: Bridge Loan County: Varies

Projected Avg Interest Rate: 0.38% Final Maturity: est. 2022; 367 day term

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svgs. (\$)	Est NPV Svgs. (% of Ref. Bds)
		\$			\$	
		\$			\$	
		\$			\$	
		\$			\$	
	Total	\$	*****	*****	\$	

4. FINANCING WORKING GROUP

Financial Advisor: <u>Kaufman Hall</u>	Disclosure Counsel: <u>Howell Linkous & Nettles</u>
Bond Counsel: <u>Haynsworth Sinkler Boyd</u>	Issuer's Counsel: <u>Annette Drachman (MUHA Corp. Counsel)</u>
Bank Counsel: <u>TBD</u>	Bank: <u>TBD</u>
FHA Advisor: <u>Arnadale Capital Inc.</u>	FHA Counsel: <u>Harris Beach PLLC</u>

5. FINANCING/PROJECT DESCRIPTION

(Briefly, explain the financing/project, the anticipated costs, & the basis for these cost estimates. Use an attachment if needed)

**** Please see the supplemental NDIF attachment which describes this transaction ****

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	<u>06/25/21</u>	<u>MUHA BoT</u>
JBRC Approval:	<u>00/00/00</u>	<u>N/A</u>
SFAA Approval:	<u>06/29/21</u>	

Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower Approval:	<u>00/00/00</u>	<u>N/A</u>
JBRC Approval:	<u>00/00/00</u>	<u>N/A</u>
SFAA Approval:	<u>00/00/00</u>	<u>N/A</u>

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy) Yes No

b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds? Yes No

c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected. Sq. Footage - Not Applicable
Cost Estimate - \$0



**South Carolina Office of State Treasurer
New Debt Information Form Attachment**

**06.29.2021 – Medical University Hospital Authority – Taxable Bridge Loan
– not to exceed \$80,000,000**

Supplemental Response to Section 5:

Not to exceed \$80,000,000 Taxable Bridge Loan

On April 2, 2021, Medical University Hospital Authority (“MUHA”) entered into an Indication of Interest letter and a Confidentiality Agreement with LifePoint Health, Inc. (“LifePoint”) to acquire Providence Health Holding Company LLC (“Providence Health”) and Kershaw Health Holdings, LLC (“Kershaw Health”) (collectively, the “System”), on or about July 31, 2021. The purchase price (net of assumed leases and inclusive of estimated inventory and other current assets) subject to certain adjustments is not expected to exceed \$80,000,000. This transaction will further improve the quality and efficiency of care for the area’s population and provide a solid operational foundation for the implementation of MUHA’s strategic plan and vision for healthcare in the region.

Both Providence Health and Kershaw Health are indirect subsidiaries of LifePoint. Providence Health is comprised of two acute-care hospitals located in Columbia, SC, and a new free-standing emergency room (“Providence Health-Fairfield”) located in Winnsboro, SC. Kershaw Health is comprised of an acute care hospital located in Camden, SC, and a comprehensive urgent care and outpatient center located in Elgin, SC. The System’s expansive sites of care create a favorable access framework to capture growth across the care continuum in this market.

A. Providence Health: Providence Health is comprised of two acute-care hospitals located in Columbia, SC, and a new freestanding emergency department (“Providence Health-Fairfield”) located in Winnsboro, SC.

- i. **Providence Health Downtown:** Known as “South Carolina’s Heart Hospital,” Providence Health’s main campus (“Providence Health Downtown”) is a 258-bed facility that houses a variety of services including outpatient surgery, emergency care, cardiology, cardiovascular surgery diagnostics, imaging, cardiac rehab, general surgery, and more.
- ii. **Providence Health-Northeast:** Located in the suburbs of Columbia, Providence Health-Northeast is a 74-bed full-service hospital that provides general surgery, orthopedic surgery, neurosurgery, ENT surgery, cardiology, and other surgical services.
- iii. **Providence Health-Fairfield:** Located in Winnsboro, SC, the Providence Health-Fairfield Emergency Room opened its doors in December of 2018 and operates with ongoing support from Fairfield County.

B. Kershaw Health: Kershaw Health is comprised of an acute care hospital located in Camden, SC, and a comprehensive urgent care and outpatient center located in Elgin, SC.



South Carolina Office of State Treasurer New Debt Information Form Attachment

*06.29.2021– Medical University Hospital Authority – Taxable Bridge Loan
– not to exceed \$80,000,000*

- i. **Medical Center at Camden:** Kershaw Health's Medical Center (the "Medical Center") in Camden is a comprehensive acute care facility encompassing 121 acute care beds. Emergency room and outpatient services are also provided at the Medical Center. The Medical Center includes a women's center with 10 new mother rooms and 4 labor and delivery rooms, an ICU equipped with 10 beds, a pediatric unit with 10 patient rooms, a surgical unit with 6 operating rooms and 8 pre and 8 post outpatient surgery beds, a GI lab with 3 procedure rooms, and an emergency department with 15 rooms.
- ii. **Urgent Care (Elgin):** Located in Elgin, SC, Kershaw Health urgent care facility provides a convenient location for patients to receive comprehensive, attentive care from board-certified physicians every day of the week.
- iii. **Outpatient Center (Elgin):** Located in Elgin, SC, the Outpatient Center offers imaging services including CT, open MRI, digital mammography, X-ray, ultrasound, and bone density. The center is also equipped with a comprehensive laboratory.

Financing Plans – Taxable Bridge Loan

MUHA is currently negotiating for a taxable, fixed rate bridge loan (the "Bridge Loan") to fund the acquisition of the System on or about July 31, 2021. It is contemplated that the Bridge Loan will be outstanding until MUHA can obtain a Federal Housing Administration ("FHA") insured mortgage loan commitment from the U.S. Department of Housing and Urban Development ("HUD"). This FHA-insured mortgage loan commitment will serve as the basis for a GNMA-guaranteed mortgage-backed security ("MBS") financing transaction that will provide the necessary funds to refinance the Bridge Loan and serve as the permanent financing for the acquisition of the System.

To obtain the Bridge Loan financing, an RFP was issued by the South Carolina Office of State Treasurer (the "STO"). The parameters of MUHA's existing HUD financing structure influenced the design of this financing structure by limiting the collateral options and covenants available.

The preferred plan is for an upfront financing of the entire acquisition price at a rate of 0.38% that is anticipated to be locked by the date of the SFAA meeting for a 367-day commitment. The taxable fixed rate obligations are expected to be refinanced 3-4 months after being issued without any prepayment penalty with the GNMA-guaranteed MBS financing. A taxable Bridge Loan was selected because it provides MUHA with the flexibility to close on the acquisitions on a timely



**South Carolina Office of State Treasurer
New Debt Information Form Attachment**

*06.29.2021 – Medical University Hospital Authority – Taxable Bridge Loan
– not to exceed \$80,000,000*

basis without also having to coordinate completion of a FHA-insured mortgage loan/GNMA-guaranteed MBS financing process.

Ten banks were approached with five responding back with proposals.

With respect to the costs of issuance, the dynamics of the FHA mortgage loan insurance program and the specialized nature of the GNMA MBS market drive the need for additional financial and legal advisors. Overall, the cost of issuance for the Bridge Loan and the FHA-insured mortgage loan/GNMA-guaranteed MBS financing are relatively low and in line with expectations of the STO. MUHA intends to fund the costs of issuance with its own cash. Additional verification of the rate offered was performed and also in line with the STO's expectations.

Key Notes

The timeline for closing commitments are scheduled as follows:

- Bridge Loan close: 7/21/2021
- LifePoint acquisition close: On or about 7/31/2021

AGENCY: Medical University Hospital Authority

SUBJECT Not Exceeding \$80,000,000 Mortgage Indebtedness incurred pursuant to FHA Insured Mortgage Acquisition Obligation of the Medical University Hospital Authority

The Authority is asked to adopt a resolution making provision for the incurrence or issuance by the Medical University Hospital Authority (MUHA) of Mortgage indebtedness incurred pursuant to a FHA Insured Mortgage Acquisition Obligation in an amount not to exceed \$80,000,000. Such resolution includes the authority of the Medical University Hospital Authority to both mortgage and otherwise cause to be subject to a lien of any of MUHA's real or personal property as it deems necessary.

MUHA intends to purchase multiple hospitals in Columbia, Winnsboro, and Camden. The hospitals to be acquired are Providence Health, which includes 2 acute care facilities in Columbia and one free standing emergency room in Winnsboro, and Kershaw Health, which includes an acute care hospital located in Camden and a comprehensive urgent care and outpatient center located in Elgin.

MUHA seeks a taxable fixed permanent mortgage loan that will refinance the bridge loan and provide permanent financing for the acquisition of Providence Health and Kershaw Health. MUHA expects to obtain a commitment from the U.S. Department of Housing and Urban Development ("HUD") for a Federal Housing Administration ("FHA") insured private mortgage loan. It is anticipated that said loan will be a 25 year taxable Government National Mortgage Association (a federal government corporation that guarantees the timely payment of principal and interest on mortgage backed securities issued by approved lenders and commonly referred at Ginnie Mae and abbreviated to "GNMA") guaranteed mortgage-backed security ("MBS") financing transaction that will refinance the Bridge Loan and provide MUHA with permanent financing for the acquisition of the aforementioned hospital systems. The application for the permanent financing is expected to be submitted to HUD by the end of July 2021 with financing to occur by the end of October 2021. The proceeds of the HUD loan will repay the bridge loan in full.

AUTHORITY ACTION REQUESTED:

Adopt a resolution approving the Medical University Hospital Authority to incur or issue taxable fixed rate Mortgage Indebtedness incurred pursuant to a FHA insured private mortgage loan in a principal amount not to exceed \$80,000,000 to provide permanent financing for the acquisition of certain hospital facilities in Columbia, Winnsboro and Camden, South Carolina.

ATTACHMENTS:

Board of Trustees Acquisition Resolution, Board of Trustees Finance Resolution, Petition, SFAA Resolution, Draft Opinion letter of M. Johnson to Board of Trustees Medical University Hospital Authority; Draft Opinion letter to SFAA dated June 29, 2021; Draft Letter of Attorney General's Office; Letter of the Office of the State Auditor dated June 18, 2021

A RESOLUTION

AUTHORIZING THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY TO PURCHASE THE ASSETS OF CERTAIN HOSPITALS AND OTHER MEDICAL FACILITIES IN RICHLAND COUNTY, FAIRFIELD COUNTY, KERSHAW COUNTY, LANCASTER COUNTY, AND NEWBERRY COUNTY, SOUTH CAROLINA, AND OTHER MATTERS RELATED THERETO.

WHEREAS, the Medical University Hospital Authority (the "**Authority**"), an agency of the State of South Carolina, has been authorized at §59-123-60, Code of Laws of South Carolina, 1976 as amended (the "**Enabling Act**") to utilize all provisions of the Hospital Revenue Bond Act, codified at Title 44, Chapter 7, Code of Laws of South Carolina, 1976 as amended (the "**Hospital Revenue Bond Act**") for the purpose of effectuating the powers set forth in the Enabling Act in order to raise monies for Medical University of South Carolina hospitals, clinics, and other health care and related facilities for the Authority; and

WHEREAS, the Board of Trustees of the Authority (the "**Board of Trustees**") is authorized at §59-123-60(E)(3)(c) of the Enabling Act to "make contracts and guarantees, to incur liabilities, to issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, or income in a manner to be in the best interest of the Authority;" and

WHEREAS, the Board of Trustees is authorized at §59-123-60(E)(3)(d) of the Enabling Act "for the purpose of effectuating the provisions of subitem (c) above,[to] utilize all provisions of the Hospital Revenue Bond Act;" and

WHEREAS, the Board of Trustees has determined that the purchase of substantially all of the assets of certain affiliates of Providence Holding Company, LLC ("**Providence Holding Company**") and KershawHealth Holdings, LLC ("**Kershaw Holding Company**") and, together with Providence Holding Company, the "**LifePoint Holding Companies**") that are associated with, or are used in connection with, the ownership and/or operation of Providence Health Downtown and Providence Health - Northeast in Columbia, South Carolina; Providence Health - Fairfield in Winnsboro, South Carolina; and KershawHealth Medical Center in Camden, South Carolina, and associated clinical sites and services (including a clinic in Lancaster, South Carolina, and a clinic in Newberry County, South Carolina) (collectively, the "**Hospitals**") is in the best interest of the Authority; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY IN MEETING DULY ASSEMBLED:

Section 1. It is hereby declared that the facts set forth in the recitals above are in all respects true and correct.

Section 2. The purchase of substantially all of the assets of certain affiliates of LifePoint Holding Companies that are associated with or used in the operation of the Hospitals for a purchase price not to exceed Seventy-Five Million Dollars (\$75,000,000) plus or minus net working capital adjustments and in accordance with the Asset Purchase Agreement dated as of the date hereof between the LifePoint Holding Companies, as sellers, and the Authority, as purchaser, is hereby approved.

Section 3. The purchase of the Hospitals shall be financed with the proceeds of the Indebtedness "in a manner to be in the best interest of the Authority."

Section 4. The President, the Chief Executive Officer, MUSC Health and Vice President for Health Affairs, University, and the Chief Financial Officer of the Authority (collectively, the "**Executing Officers**") are hereby authorized to negotiate and execute such documents and/or agreements as are required to effect the acquisition of the properties described above. The Executing Officers are further authorized to seek all necessary approvals to affect these transfers.

Section 5. The Executing Officers or any of them is authorized by and on behalf of the Authority to execute and deliver one or more mortgages granting a lien or liens on the Authority's interest in certain real property and one or more security agreements granting a lien or liens on certain of the Authority's personal property and such other agreements, instruments, certificates, and documents relating to the foregoing as they, he, or she shall deem necessary or advisable, their, his, or her execution and delivery thereof being conclusive of such determination.

Section 6. The Executing Officers or any of them is authorized to take any and all such further action as they, he, or she shall deem necessary or advisable to carry out the purpose and intent of the foregoing resolutions.

I, the undersigned, being the duly qualified Secretary of the Medical University Hospital Authority (the "**Authority**") do hereby certify that the attached Resolution is a true, correct, and verbatim copy of "**AUTHORIZING THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY TO PURCHASE THE ASSETS OF CERTAIN HOSPITALS AND OTHER MEDICAL FACILITIES IN RICHLAND COUNTY, FAIRFIELD COUNTY, KERSHAW COUNTY, LANCASTER COUNTY, AND NEWBERRY COUNTY, SOUTH CAROLINA, AND OTHER MATTERS RELATED THERETO**" adopted by the Authority at a meeting duly called and held on June 25, 2021, at which a quorum was present and acting throughout.

IN WITNESS WHEREOF, I have hereunto set my hand for delivery on the 25th day of June, 2021.

Mark C. Sweatman, Secretary of the Board of Trustees,
Medical University Hospital Authority

(HUD Loan)

A RESOLUTION

AUTHORIZING THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY TO ISSUE OR INCUR LONG-TERM INDEBTEDNESS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$80,000,000 TO PROVIDE PERMANENT FINANCING FOR THE ACQUISITION OF CERTAIN HOSPITAL AND RELATED AUXILIARY FACILITIES IN RICHLAND COUNTY, FAIRFIELD COUNTY, KERSHAW COUNTY, LANCASTER COUNTY, AND NEWBERRY COUNTY, SOUTH CAROLINA, FROM CERTAIN AFFILIATES OF PROVIDENCE HOLDING COMPANY, LLC AND KERSHAWHEALTH HOLDINGS, LLC, AND OTHER MATTERS RELATED THERETO.

WHEREAS, the Medical University Hospital Authority (the "**Authority**"), an agency of the State of South Carolina, has been authorized at §59-123-60, Code of Laws of South Carolina, 1976 as amended (the "**Enabling Act**") to utilize all provisions of the Hospital Revenue Bond Act, codified at Title 44, Chapter 7, Section 1410 *et seq.*, Code of Laws of South Carolina, 1976 as amended (the "**Hospital Revenue Bond Act**") for the purpose of effectuating the powers set forth in the Enabling Act in order to raise monies for Medical University of South Carolina hospitals, clinics, and other health care and related facilities for the Authority; and

WHEREAS, the Board of Trustees of the Authority (the "**Board of Trustees**") is authorized at §59-123-60(E)(3)(c) of the Enabling Act to "make contracts and guarantees, to incur liabilities, to issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, or income in a manner to be in the best interest of the Authority;" and

WHEREAS, the Board of Trustees is authorized at §59-123-60(E)(3)(d) of the Enabling Act "for the purpose of effectuating the provisions of subitem (c) above,[to] utilize all provisions of the Hospital Revenue Bond Act;" and

WHEREAS, the Board of Trustees has determined that the purchase of substantially all of the assets of certain affiliates of Providence Holding Company, LLC and KershawHealth Holdings, LLC that are associated with, or are used in connection with, the ownership and/or operation of Providence Health Downtown and Providence Health - Northeast in Columbia, South Carolina; Providence Health - Fairfield in Winnsboro, South Carolina; and KershawHealth Medical Center in Camden, South Carolina, and associated clinical sites and services (including a clinic in Lancaster, South Carolina, and a clinic in Newberry County, South Carolina) (collectively, the "**Hospitals**") is in the best interest of the Authority and should be financed initially with the proceeds of one or more borrowings (the "**Bridge Loan Indebtedness**") in an amount not to exceed \$80,000,000 in a manner that is in the best interest of the Authority;" and

WHEREAS, the Board of Trustees has estimated that the repayment of the Bridge Loan Indebtedness and the payment of associated costs of issuance (collectively, the "**Refinancing Costs**") require the incurring or issuance of one or more borrowings (the "**Permanent Indebtedness**") in a principal amount not to exceed \$80,000,000; and

WHEREAS, the Board of Trustees has also determined that it is in the best interest of the Authority to cause a petition (the "**Petition**") in substantially the form of Exhibit "A" attached hereto to be filed with the State Fiscal Accountability Authority ("**SFAA**") pursuant to §59-123-60(E)(3)(d) of the Enabling Act and §44-7-1590(A) of the Hospital Revenue Bond Act for SFAA's approval of the issuance or incurrence of the Permanent Indebtedness; and

WHEREAS, the Board of Trustees has also determined that the principal amount of the Permanent Indebtedness shall not to exceed \$80,000,000, that the interest rate borne by the Bridge Loan Indebtedness shall not exceed six percent (6.00%) per annum, and that the term of the Bridge Loan Indebtedness shall not exceed forty (40) years,

NOW, THEREFORE, BE IT RESOLVED, by the **BOARD OF TRUSTEES OF THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY** as follows:

Section 1. It is hereby declared that the facts set forth in the recitals above are in all respects true and correct.

Section 2. It is hereby found, determined and declared as follows:

(a) The Permanent Indebtedness will defray and refinance the purchase of the Hospitals, which Hospitals constitute "hospital facilities," as defined in the Hospital Revenue Bond Act, provide funding of any necessary reserve or similar fund, and defray and finance the associated costs of issuance thereof.

(b) The Authority is a "hospital agency," as defined in the Hospital Revenue Bond Act, with established credit and is financially responsible and capable of fulfilling its obligations and discharging the responsibilities that may be imposed upon it under the documents governing the Permanent Indebtedness.

(c) Adequate provisions shall be made for the repayment of the Permanent Indebtedness, all other costs relating thereto, the transactions contemplated to take place in connection therewith, and for the operation, repair, and maintenance of the Hospitals.

(d) Public facilities, including utilities and public services necessary for the Hospital Facilities, are available to the Hospitals.

(e) The Permanent Indebtedness will subserve the purposes and in all respects conform to the provisions and requirements of the Enabling Act and the Hospital Revenue Bond Act.

(f) Neither the Hospitals nor any documents or agreements entered into by the Authority in connection with the Permanent Indebtedness, will constitute an indebtedness of the State of South Carolina (the "State") within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the State or a charge against its general credit or taxing powers.

(g) The incurrence or issuance of the Permanent Indebtedness in an aggregate principal amount not to exceed \$80,000,000 will be required in order to defray and finance the Refinancing Costs.

Section 3. The purchase of the Hospitals, the funding of any necessary reserve or similar fund, and the payment of the associated costs of issuance shall be financed with the proceeds of the Permanent Indebtedness "in a manner to be in the best interest of the Authority."

Section 4. Pursuant to §59-123-60(c) and (d) of the Enabling Act and in compliance with §44-7-590 of the Hospital Revenue Bond Act, the Authority shall file the Petition with SFAA requesting approval of SFAA of the proposed incurrence or issuance of the Permanent Indebtedness by the Authority.

Section 5. The Petition shall be executed by one or more of the President, the Chief Executive Officer, MUSC Health and Vice President for Health Affairs, University, and the Chief Financial Officer of the Authority (collectively, the "Executing Officers") are hereby authorized and directed to take all necessary or appropriate steps to incur or issue the Permanent Indebtedness on behalf of the Authority, upon advice received and in consultation with the Office of the State Treasurer of South Carolina, in order to finance the repayment of the Bridge Loan Indebtedness.

Section 6. The Permanent Indebtedness is hereby authorized to be issued or incurred in an aggregate principal amount not to exceed \$80,000,000, bear interest at a rate not to exceed six percent (6.00%) per annum, and mature on a date later than forty (40) years after the date of its issuance or incurrence.

Section 7. The Executing Officers or any of them is authorized by and on behalf of the Authority to execute and deliver one or more mortgages granting a lien or liens on the Authority's interest in certain real property and one or more security agreements granting a lien or liens on certain of the Authority's personal property and such other agreements, instruments, certificates, and documents relating to the foregoing as they, he, or she shall deem necessary or advisable, their, his, or her execution and delivery thereof being conclusive of such determination.

Section 8. The Executing Officers or any of them is authorized to take any and all such further action as they, he, or she shall deem necessary or advisable to carry out the purpose and intent of the foregoing resolutions.

I, the undersigned, being the duly qualified Secretary of the Board of Trustees of the Medical University Hospital Authority (the "**Authority**") do hereby certify that the attached Resolution is a true, correct, and verbatim copy of "**AUTHORIZING THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY TO ISSUE OR INCUR LONG-TERM INDEBTEDNESS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$80,000,000 TO PROVIDE PERMANENT FINANCING FOR THE ACQUISITION OF CERTAIN HOSPITAL AND RELATED AUXILIARY FACILITIES IN RICHLAND COUNTY, FAIRFIELD COUNTY, KERSHAW COUNTY, LANCASTER COUNTY, AND NEWBERRY COUNTY, SOUTH CAROLINA, FROM CERTAIN AFFILIATES OF PROVIDENCE HOLDING COMPANY, LLC AND KERSHAWHEALTH HOLDINGS, LLC, AND OTHER MATTERS RELATED THERETO**" adopted by the Board of Trustees of the Authority at a meeting duly called and held on June 25, 2021, at which a quorum was present and acting throughout.

IN WITNESS WHEREOF, I have hereunto set my hand for delivery on the 25th day of June, 2021.

Mark C. Sweatman, Secretary of the Board of Trustees,
Medical University Hospital Authority

EXHIBIT "A"

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

TO THE STATE FISCAL ACCOUNTABILITY AUTHORITY)
_____)

PETITION
(HUD Loan)

This Petition of the Board of Trustees (the "*Board of Trustees*") of the Medical University Hospital Authority (the "*Authority*") respectfully shows:

1. The Authority is an agency of the State of South Carolina (the "*State*") and is an entity created by Act of the General Assembly of South Carolina, codified as §59-123-60, Code of Laws of South Carolina 1976, as amended (the "*Enabling Act*"). The Enabling Act at paragraph (E)(3)(a) grants the Board of Trustees the power to "make contracts and have, hold, purchase, and lease real estate and personal property for corporate purposes." The Enabling Act at paragraph (E)(3)(b) also grants the Board of Trustees the power to "sell, convey, mortgage, lease, exchange, and otherwise dispose of any real property subject to the authority and approval of the State Fiscal Accountability Authority or the Department of Administration, as appropriate." The Enabling Act at paragraph (E)(5) further grants the Board of Trustees the power to "construct, operate, and maintain the hospital and related premises, buildings and facilities, and infrastructure."

2. In fulfilling these powers, the Enabling Act at paragraph (E)(3)(c) permits the Authority to "make contracts and guarantees, to incur liabilities, to issue its notes, bonds and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, or income in a manner to be in the best interest of the authority." In addition, the Act provides at paragraph (E)(3)(d) that for purposes of effectuating the provisions of paragraph (E)(3)(c), the Board of Trustees shall utilize the provisions of §§44-7-1410 to 44-7-1720, Code of Laws of South Carolina, 1976, as amended (the "*Hospital Revenue Bond Act*").

3. In furtherance of these powers and responsibilities, paragraph (E)(3)(d) of the Act also provides that the Authority's "obligations or indebtedness...shall be subject to the approval thereof by resolution of the State Fiscal Accountability Authority."

4. In its meeting on June 25, 2021, the Board of Trustees determined that the purchase of substantially all of the assets of certain affiliates of Providence Holding Company, LLC and KershawHealth Holdings, LLC that are associated with, or are used in connection with, the ownership and/or operation of Providence Health Downtown and Providence Health - Northeast in Columbia, South Carolina; Providence Health - Fairfield in Winnsboro, South Carolina; and KershawHealth Medical Center in Camden, South Carolina, and associated clinical sites and services (including a clinic in Lancaster, South Carolina, and a clinic in Newberry County, South Carolina) (collectively, the "*Hospitals*") should be financed initially with the proceeds of one or more borrowings (the "*Bridge Loan Indebtedness*") in an amount not to exceed \$80,000,000.

5. In its meeting on June 25, 2021, the Board of Trustees also determined that the repayment of the Bridge Loan Indebtedness and the payment of any associated costs of issuance (collectively, the "*Refinancing Costs*") should be financed with the proceeds of one or more borrowings (the "*Permanent Indebtedness*") in a principal amount not to exceed \$80,000,000; and

6. The Board of Trustees determined in its meeting on June 25, 2021, that the Authority should enter into such documents and agreements to take all action as shall be required to incur or issue the Permanent Indebtedness, and has authorized the President, the Executive Director, and the Chief Financial Officer, upon advice received and in consultation with the Office of the State Treasurer, to execute such documents and agreements and to take all action required to incur or issue the Permanent Indebtedness, including without limitation, all such documents as may be appropriate and/or required under State or federal law including specifically the Enabling Act and the Hospital Revenue Bond Act (collectively, the "*Acts*"). Pursuant to such authorization, this Petition is presented to request approval for the incurrence or issuance by the Authority pursuant to the Acts of the Permanent Indebtedness in an aggregate principal amount not to exceed \$80,000,000 at interest rate(s) not to exceed six percent (6.00%) per annum and for terms not to

exceed the statutory limit of forty (40) years set forth at §44-7-1450 of the Hospital Revenue Bond Act, which Permanent Indebtedness will be used to defray and finance the Refinancing Costs.

7. In connection with the incurrence or issuance of the Permanent Indebtedness, the Board of Trustees expects that the Authority will execute and deliver documents and agreements, and take such actions as are necessary or desirable, in connection with such borrowing or borrowings. As permitted by the Hospital Revenue Bond Act and paragraphs (E)(3)(b), (c), and (d) of the Enabling Act, the Board of Trustees expects that the Authority may execute one or more mortgages granting a lien or liens on the Authority's interest in certain real property and one or more security agreements granting a lien or liens on certain of the Authority's personal property.

8. For the reasons above set forth and hereinafter disclosed and as contemplated by §44-7-1480 and required by §44-7-1590 of the Hospital Revenue Bond Act, the Board of Trustees has determined that:

(a) the aggregate of the Refinancing Costs to be defrayed by the proceeds of the Permanent Indebtedness shall not exceed \$80,000,000;

(b) no approval of the South Carolina Department of Health and Environmental Control of the undertaking of the Authority to effect the repayment of the Bridge Loan Indebtedness will be required under Article 3, Chapter 7, Title 44 of the Code of Laws of South Carolina, 1976;

(c) the terms and conditions of the Permanent Indebtedness shall contain those provisions customary in connection with such financings; and

(d) neither the Permanent Indebtedness nor any provision securing the same shall create a pecuniary liability or charge upon the State's general credit or taxing powers.

10. The Permanent Indebtedness will be incurred or issued by the Authority pursuant to a resolution or resolutions, and authorizations provided therein, which will impose upon the Authority the obligation to pay, in addition to the moneys required for the repayment thereof, all other costs and expenses relating thereto and the transactions contemplated to take place in connection therewith.

Upon the basis of the foregoing, the Board of Trustees hereby respectfully petitions the State Fiscal Accountability Authority to (i) accept the filing of the Petition presented herewith; (ii) find that the proposed refinancing is intended to promote the purposes of the Hospital Revenue Bond Act; (iii) on the basis of such finding, approve the incurrence or issuance of the Permanent Indebtedness by the Authority in one or more borrowings and in such final form as may be approved by the State Treasurer; and (iv) cause to be published notice of its approval in the manner set forth in the Act.

Respectfully Submitted,

MEDICAL UNIVERSITY HOSPITAL AUTHORITY

By _____
Patrick J. Cawley, M.D, Chief Executive Officer, MUSC
Health and Vice President for Health Affairs, University

By _____
Lisa M. Goodlett, CPA, FACHE, Chief Financial
Officer

June 25, 2021

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

TO THE STATE FISCAL ACCOUNTABILITY AUTHORITY)
_____)

P E T I T I O N
(HUD Loan)

This Petition of the Board of Trustees (the "**Board of Trustees**") of the Medical University Hospital Authority (the "**Authority**") respectfully shows:

1. The Authority is an agency of the State of South Carolina (the "**State**") and is an entity created by Act of the General Assembly of South Carolina, codified as §59-123-60, Code of Laws of South Carolina 1976, as amended (the "**Enabling Act**"). The Enabling Act at paragraph (E)(3)(a) grants the Board of Trustees the power to "make contracts and have, hold, purchase, and lease real estate and personal property for corporate purposes." The Enabling Act at paragraph (E)(3)(b) also grants the Board of Trustees the power to "sell, convey, mortgage, lease, exchange, and otherwise dispose of any real property subject to the authority and approval of the State Fiscal Accountability Authority or the Department of Administration, as appropriate." The Enabling Act at paragraph (E)(5) further grants the Board of Trustees the power to "construct, operate, and maintain the hospital and related premises, buildings and facilities, and infrastructure."

2. In fulfilling these powers, the Enabling Act at paragraph (E)(3)(c) permits the Authority to "make contracts and guarantecs, to incur liabilities, to issue its notes, bonds and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, or income in a manner to be in the best interest of the authority." In addition, the Act provides at paragraph (E)(3)(d) that for purposes of effectuating the provisions of paragraph (E)(3)(c), the Board of Trustees shall utilize the provisions of §§44-7-1410 to 44-7-1720, Code of Laws of South Carolina, 1976, as amended (the "**Hospital Revenue Bond Act**").

3. In furtherance of these powers and responsibilities, paragraph (E)(3)(d) of the Act also provides that the Authority's "obligations or indebtedness...shall be subject to the approval thereof by resolution of the State Fiscal Accountability Authority."

4. In its meeting on June 25, 2021, the Board of Trustees determined that the purchase of substantially all of the assets of certain affiliates of Providence Holding Company, LLC and KershawHealth Holdings, LLC that are associated with, or are used in connection with, the ownership and/or operation of Providence Health Downtown and Providence Health - Northeast in Columbia, South Carolina; Providence Health - Fairfield in Winnsboro, South Carolina; and KershawHealth Medical Center in Camden, South Carolina, and associated clinical sites and services (including a clinic in Lancaster, South Carolina, and a clinic in Newberry County, South Carolina) (collectively, the "**Hospitals**") should be financed initially with the proceeds of one or more borrowings (the "**Bridge Loan Indebtedness**") in an amount not to exceed \$80,000,000.

5. In its meeting on June 25, 2021, the Board of Trustees also determined that the repayment of the Bridge Loan Indebtedness and the payment of any associated costs of issuance (collectively, the "**Refinancing Costs**") should be financed with the proceeds of one or more borrowings (the "**Permanent Indebtedness**") in a principal amount not to exceed \$80,000,000; and

6. The Board of Trustees determined in its meeting on June 25, 2021, that the Authority should enter into such documents and agreements to take all action as shall be required to incur or issue the Permanent Indebtedness, and has authorized the President, the Executive Director, and the Chief Financial Officer, upon advice received and in consultation with the Office of the State Treasurer, to execute such documents and agreements and to take all action required to incur or issue the Permanent Indebtedness, including without limitation, all such documents as may be appropriate and/or required under State or federal law including specifically the Enabling Act and the Hospital Revenue Bond Act (collectively, the "**Acts**"). Pursuant to such authorization, this Petition is presented to request approval for the incurrence or issuance by the Authority pursuant to the Acts of the Permanent Indebtedness in an aggregate principal amount not to exceed \$80,000,000 at interest rate(s) not to exceed six percent (6.00%) per annum and for terms not to exceed the statutory limit of forty (40) years set forth at §44-7-1450 of the Hospital Revenue Bond Act, which Permanent Indebtedness will be used to defray and finance the Refinancing Costs.

7. In connection with the incurrence or issuance of the Permanent Indebtedness, the Board of Trustees expects that the Authority will execute and deliver documents and agreements, and take such actions as are necessary or desirable, in connection with such borrowing or borrowings. As permitted by the Hospital Revenue Bond Act and paragraphs (E)(3)(b), (c), and (d) of the Enabling Act, the Board of Trustees expects that the Authority may execute one or more mortgages granting a lien or liens on the Authority's interest in certain real property and one or more security agreements granting a lien or liens on certain of the Authority's personal property.

8. For the reasons above set forth and hereinafter disclosed and as contemplated by §44-7-1480 and required by §44-7-1590 of the Hospital Revenue Bond Act, the Board of Trustees has determined that:

(a) the aggregate of the Refinancing Costs to be defrayed by the proceeds of the Permanent Indebtedness shall not exceed \$80,000,000;

(b) no approval of the South Carolina Department of Health and Environmental Control of the undertaking of the Authority to effect the repayment of the Bridge Loan Indebtedness will be required under Article 3, Chapter 7, Title 44 of the Code of Laws of South Carolina, 1976;

(c) the terms and conditions of the Permanent Indebtedness shall contain those provisions customary in connection with such financings; and

(d) neither the Permanent Indebtedness nor any provision securing the same shall create a pecuniary liability or charge upon the State's general credit or taxing powers.

10. The Permanent Indebtedness will be incurred or issued by the Authority pursuant to a resolution or resolutions, and authorizations provided therein, which will impose upon the Authority the obligation to pay, in addition to the moneys required for the repayment thereof, all other costs and expenses relating thereto and the transactions contemplated to take place in connection therewith.

Upon the basis of the foregoing, the Board of Trustees hereby respectfully petitions the State Fiscal Accountability Authority to (i) accept the filing of the Petition presented herewith; (ii) find that the proposed refinancing is intended to promote the purposes of the Hospital Revenue Bond Act; (iii) on the basis of such finding, approve the incurrence or issuance of the Permanent Indebtedness by the Authority in one or more borrowings and in such final form as may be approved by the State Treasurer; and (iv) cause to be published notice of its approval in the manner set forth in the Act.

Respectfully Submitted,

MEDICAL UNIVERSITY HOSPITAL AUTHORITY

By _____
Patrick J. Cawley, M.D, Chief Executive Officer, MUSC
Health and Vice President for Health Affairs, University

By _____
Lisa M. Goodlett, CPA, FACHE, Chief Financial
Officer

June 25, 2021

RESOLUTION

APPROVING THE INCURRENCE OR ISSUANCE BY THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY OF INDEBTEDNESS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$80,000,000 TO PROVIDE PERMANENT FINANCING FOR THE ACQUISITION OF CERTAIN HOSPITAL AND AUXILIARY FACILITIES IN RICHLAND, FAIRFIELD, KERSHAW, LANCASTER, AND NEWBERRY COUNTY, SOUTH CAROLINA, PURSUANT TO THE PROVISIONS OF TITLE 59, CHAPTER 123 AND TITLE 44, CHAPTER 7 OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED, FOR THE PURPOSE OF DEFRAYING THE COSTS OF THE ACQUISITION OF SUCH HOSPITAL FACILITIES AND OTHER MATTERS RELATED THERETO.

WHEREAS, the Medical University Hospital Authority (the "*Authority*"), an agency of the State of South Carolina, has been authorized at §59-123-60, Code of Laws of South Carolina, 1976 as amended (the "*Enabling Act*") to utilize all provisions of the Hospital Revenue Bond Act, codified at Title 44, Chapter 7, Code of Laws of South Carolina, 1976 as amended (the "*Hospital Revenue Bond Act*") for the purpose of effectuating the powers set forth in the Enabling Act in order to raise monies for Medical University of South Carolina hospitals, clinics, and other health care and related facilities for the Authority; and

WHEREAS, the Board of Trustees of the Authority (the "*Board of Trustees*") is authorized at §59-123-60(A)(3) of the Enabling Act "to make contracts and to have, to hold, to purchase, and to lease real estate and personal property for corporate purposes;" and

WHEREAS, §59-123-60(E)(3)(a) of the Enabling Act grants the Board of Trustees the power to "sell, convey, mortgage, lease, exchange, and otherwise dispose of any real property subject to the authority and approval of the State Fiscal Accountability Authority or the Department of Administration, as appropriate;" and

WHEREAS, the Board of Trustees is authorized at §59-123-60(E)(3)(c) of the Enabling Act to "make contracts and guarantees, to incur liabilities, to issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, or income in a manner to be in the best interest of the Authority;" and

WHEREAS, the Board of Trustees is authorized at §59-123-60(E)(3)(d) of the Enabling Act "for the purpose of effectuating the provisions of subitem (c) above, [to] utilize all provisions of the Hospital Revenue Bond Act;" and

WHEREAS, the Board of Trustees has determined that the purchase of substantially all of the assets of certain affiliates of Providence Holding Company, LLC ("*Providence Holding Company*") and KershawHealth Holdings, LLC ("*Kershaw Holding Company*") and, together with Providence Holding Company, the "*LifePoint Holding Companies*") that are associated with, or are used in connection with, the ownership and/or operation of Providence Health Downtown and Providence Health - Northeast in Columbia, South Carolina; Providence Health - Fairfield in Winnsboro, South Carolina; and KershawHealth Medical Center in Camden, South Carolina, and associated clinical sites and services (including a clinic in Lancaster, South Carolina, and a clinic in Newberry County, South Carolina) (collectively, the "*Hospitals*") should be financed with the proceeds of a borrowing or borrowings secured, if necessary, as provided by §59-123-60(E)(3)(c) above, "by [a] mortgage...in a manner to be in the best interest of the Authority;" and

WHEREAS, the Board of Trustees has determined that the incurrence or issuance by the Authority of indebtedness (the "*Bridge Loan Indebtedness*") in a principal amount not to exceed \$80,000,000 for the purchase of the Hospitals, the funding of any necessary reserve or similar fund, and the payment of associated costs of issuance is in the best interest of the Authority; and

WHEREAS, the Board of Trustees has determined that the incurrence or issuance by the Authority of indebtedness (the "*Permanent Indebtedness*") in a principal amount not to exceed \$80,000,000 for the repayment of the Bridge Loan Indebtedness and the payment of associated costs of issuance (collectively, the "*Refinancing Costs*") is in the best interest of the Authority; and

WHEREAS, pursuant to §59-123-60(E)(3)(d) of the Enabling Act and §44-7-1590(A) of the Hospital Revenue Bond Act, the Board of Trustees has authorized and caused a petition (the "*Petition*") to be filed with the State Fiscal Accountability Authority; and

WHEREAS, the Authority, under and pursuant to the provisions of the Enabling Act and the Hospital Revenue Bond Act (collectively, the "*Acts*"), has petitioned the State Fiscal Accountability Authority for its approval of the incurrence or issuance by the Authority of the Permanent Indebtedness in an aggregate principal amount not to exceed \$80,000,000 at interest rate(s) not to exceed six percent (6.00%) per annum and for terms not to exceed forty (40) years, all set forth at §44-7-1450 of the Hospital Revenue Bond Act, the proceeds of which Indebtedness will defray the Refinancing Costs.

NOW, THEREFORE, BE IT RESOLVED, by the State Fiscal Accountability Authority of the State of South Carolina as follows:

Section 1. It is hereby found, determined and declared by the State Fiscal Accountability Authority that the Petition contains all matters required by law to be set forth therein, that in consequence thereof, the jurisdiction of this State Fiscal Accountability Authority has been properly invoked under and pursuant to §44-7-1590 of the Hospital Revenue Bond Act, and that the proposed financing is intended to promote the purposes of the Hospital Revenue Bond Act.

Section 2. The proposal of the Authority to incur or issue the Permanent Indebtedness as described herein is hereby approved.

Section 3. Approval is hereby given for the incurrence or issuance of the Permanent Indebtedness in a principal amount not to exceed \$80,000,000 for the purposes described herein and as set forth in the Petition, such Permanent Indebtedness to be in such principal amount and subject to such terms as the State Treasurer shall approve; provided, however, the interest rates on the Permanent Indebtedness shall not exceed six percent (6.00%) per annum and the terms thereof not exceed forty (40) years; and (ii) the taking by the Office of State Treasurer of such further action and the granting of approval by the State Treasurer of such further action by the Authority as shall not be inconsistent with the foregoing provisions of this Resolution as may be necessary or desirable in connection with the incurrence or issuance of the Permanent Indebtedness.

Section 4. It is specifically provided that the Permanent Indebtedness may be incurred or issued in one or several series of borrowings and may be secured by one or more mortgages granting a lien or liens on the Authority's interest in certain real property and one or more security agreements granting a lien or liens on certain of the Authority's personal property.

Section 5. There shall be published a notice of approval as required by Section 44-7-1590(B) in substantially the form attached hereto as **EXHIBIT "A."**

Section 6. This Resolution shall take effect immediately.

EXHIBIT "A"

**NOTICE PURSUANT TO THE PROVISIONS OF SECTION 44-7-1590 OF
THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED**

NOTICE IS HEREBY GIVEN pursuant to the provisions and requirements of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended, that the State Fiscal Accountability Authority of South Carolina, pursuant to Petition filed by the Medical University Hospital Authority (the "**Authority**"), has given its approval for the incurrence or issuance by the Authority of indebtedness in an aggregate principal amount not to exceed \$80,000,000 for the purpose of refinancing the costs of the purchase of Providence Health Downtown and Providence Health - Northeast in Columbia, South Carolina; Providence Health - Fairfield in Winnsboro, South Carolina; and KershawHealth Medical Center in Camden, South Carolina, and associated clinical sites and services (collectively, the "**Hospitals**"), the funding of any necessary reserve or similar fund, and the payment of the associated costs of issuance.

No approval of the South Carolina Department of Health and Environmental Control of the undertaking of the Authority to acquire the Hospitals will be required under Article 3, Chapter 7, Title 44 of the Code of Laws of South Carolina, 1976.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this Notice, but not afterwards, challenge the validity of the action taken by the State Fiscal Accountability Authority or the Authority, by action *de novo* instituted in the Court of Common Pleas for Charleston County, South Carolina.

STATE FISCAL ACCOUNTABILITY AUTHORITY

By: Delbert H. Singleton, Jr., Secretary

Dated: June 30, 2021

[Closing Date], 2019

Board of Trustees of Medical University Hospital Authority
Charleston, South Carolina

Re: \$ _____ FHA Insured Mortgage Acquisition Obligation of the Medical University Hospital Authority (an Agency of the State of South Carolina), Series 2021B (the "**Obligation**")

Ladies and Gentlemen:

We have acted as bond counsel to the Medical University Hospital Authority (the "**Authority**"), an agency of the State of South Carolina established by Act 116 of the 1999 Acts and Joint Resolutions of the General Assembly of South Carolina, codified as Section 59-123-60 of the Code of Laws of South Carolina 1976, as amended (the "**Enabling Act**"), in connection with the issuance by the Authority of the captioned Obligation.

To provide permanent financing for the purchase of substantially all of the assets of certain affiliates of Providence Holding Company, LLC and KershawHealth Holdings, LLC that are associated with, or are used in connection with, the ownership and/or operation of Providence Health Downtown and Providence Health - Northeast in Columbia, South Carolina; Providence Health - Fairfield in Winnsboro, South Carolina; and KershawHealth Medical Center in Camden, South Carolina, and associated clinical sites and services (including a clinic in Lancaster, South Carolina) (collectively, the "**Project**") as set forth in the Resolutions (as defined below), the Authority is entering into a mortgage loan in the original principal amount of \$ _____ (the "**Mortgage Loan**"). The Mortgage Loan will be funded by _____ (the "**Lender**") in connection with the sale of Government National Mortgage Association ("**GNMA**") guaranteed Mortgage-Backed Securities to its investor(s). The proceeds of the Mortgage Loan will be used to provide permanent financing for the Project.

The Obligation is secured by a note and mortgage dated _____, 2021, in the original principal amount of \$ _____ (the "**Note**" and the "**Mortgage**," respectively) and is insured by the Federal Housing Administration ("**FHA**"), an organizational unit of the United States Department of Housing and Urban Development ("**HUD**").

In our capacity as bond counsel to the Authority, we have prepared or reviewed the following:

1. The proceedings relating to the financing of the purchase of the Project.
2. The Enabling Act together with certified copy of the resolutions of the Board of Trustees of the Authority adopted November 19, 2018, and December 14, 2018 (collectively, the "**Resolutions**") authorizing the purchase of the Project and the issuance of the Obligation.
3. Section 44-7-1590 of the Hospital Revenue Bond Act, together with the resolution of the State Fiscal Accountability Authority approving the issuance of the Obligation and the Certificate of the State Treasurer required by such resolution.
4. A certified copy of the Bylaws (the "**Bylaws**" and, together with the Enabling Act, the "**Organizational Documents**") of the Board of Trustees of the Authority

5. The action by the Authority engaging the Lender as FHA Mortgagee and GNMA Lender and the Authorization for Purchase Commitment letter between the Authority and Lender.

6. The Regulatory Agreement by and between HUD and the Authority.

7. The Note.

8. The Mortgage.

The documents listed in 5 through 8 above are referred to collectively as the "*Loan Documents*."

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings, and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. As to questions of fact material to our opinion, we have relied upon representations of the Authority, the certified proceedings and other certifications of public officials furnished to us, and certifications furnished by or on behalf of the Authority without undertaking to verify the same by independent investigation.

In preparation for the issuance of these opinions, we have examined (i) the Constitution and laws of the State of South Carolina; (ii) the form of the Loan Documents; (iii) certified or duplicate executed copies of the Organizational Documents; and (iv) such other papers, instruments and documents in this matter as we have deemed necessary or advisable.

Based on the foregoing, we are of the opinion that:

(i) The Authority is duly created and validly existing as a public body corporate and politic and an agency of the State of South Carolina with the corporate power to enter into and perform the Loan Documents. The Loan Documents have been duly authorized, executed, and delivered by the Authority and each constitutes a valid and binding agreement of the Authority enforceable in accordance with its terms.

(ii) The Authority is in good standing under the laws of the State of South Carolina.

(iii) The Organizational Documents are in full force and effect.

(iv) The acquisition of the Project has been duly authorized.

(v) The Obligation and the Loan Documents constitute valid and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms.

It is to be understood that the rights of the parties under the Loan Documents and the documents contemplated by the Organizational Documents are subject to general principles of equity which may permit the exercise of judicial discretion, the exercise of the sovereign police powers of the State of South Carolina and the constitutional powers of the United States of America and to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally. In addition, we express no opinion as to the validity of any indemnification obligation upon the Authority or any provisions of the Loan Documents that purport to excuse a party from liability for its own acts or that authorize a party to act in its sole discretion.

Board of Trustees of Medical University
Hospital Authority
[Closing Date], 2021
Page 3

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

**HAYNSWORTH
SINKLER BOYD**

HAYNSWORTH SINKLER BOYD, P.A.
134 MEETING STREET, 3RD FLOOR
P.O. BOX 340 (29402)
CHARLESTON, SOUTH CAROLINA 29401
MAIN 843.722.3366
FAX 843.722.2266
www.hsblawfirm.com

June 29, 2021

South Carolina State Fiscal Accountability Authority
Columbia, South Carolina

Re: Not Exceeding \$80,000,000 Permanent Loan Financing for the Medical University Hospital Authority
("MUHA")

Ladies and Gentlemen:

We are acting as bond counsel in connection with the proposed incurrence by MUHA of the above-captioned indebtedness (the "**Permanent Loan Indebtedness**"). At your request, we are delivering this opinion in connection with MUHA's Petition (the "**Petition**") to the South Carolina State Fiscal Accountability Authority ("**SFAA**") dated June 25, 2021, to approve the incurrence of the Permanent Loan Indebtedness pursuant to §59-123-60, Code of Laws of South Carolina, 1976, as amended (the "**Enabling Act**"), which established MUHA, and §44-7-1590 of Title 44, Chapter 7, Code of Laws of South Carolina, 1976 as amended (the "**Hospital Revenue Bond Act**" and, together with the Enabling Act, the "**Acts**").

In that capacity, we have examined originals or copies of the Resolution of the Board of Trustees of MUHA adopted on June 25, 2021, the Petition, the form of a proposed Resolution, which we have prepared for SFAA's consideration and which, if adopted by SFAA, permits the incurrence of the Permanent Loan Indebtedness, the form of a certificate to be executed by the Executive Director and Chief Financial Officer of MUHA, and the forms of certificates to be executed by State Treasurer of South Carolina (collectively, the "**Authorization Documents**").

In rendering the opinions expressed below, we have relied only upon our examination of the Authorization Documents and such other documents, certificates and correspondence referenced above. We have not made or undertaken to make any investigation as to factual matters or as to the accuracy or completeness of any representation, warranty, data, or any other information, whether written or oral, that may have been made or may hereafter be made by or on behalf of MUHA, SFAA, or the parties to the any of the documents related to the Permanent Loan Indebtedness. Further, in rendering the opinions expressed below, we do not purport to be experts in, generally familiar with, or qualified to express legal opinions based on, the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State of South Carolina (the "**State**"), and the opinions are limited to the federal laws of the United States of America and the laws of the State.

Based upon the stated examination and assumptions, and subject to the stated qualifications and limitations, we are of the opinion, under existing law, that the Authorization Documents comply with all requirements of the Acts and are legally sufficient and contain all facts, information, and findings by the respective authorities legally required to authorize SFAA to approve the incurrence of the Permanent Loan Indebtedness.

Except as set forth above, we express no opinion in connection with the incurrence of the Permanent Loan Indebtedness. The opinions expressed above are rendered solely for your benefit in considering the approval of the incurrence of the Permanent Loan Indebtedness under the Acts. The opinions expressed above may neither be relied on by you for any other purpose nor be used, circulated, quoted, or relied on by any other person or entity for any other purpose, without, in each instance, our prior written consent. We disclaim any obligation to update the opinion expressed above for events occurring or coming to our attention after the date of this letter.

Very truly yours,

June 28, 2021

VIA Hand Delivery

Mr. Delbert H. Singleton, Jr.
Authority Secretary
South Carolina State Fiscal Accountability Authority
612 Wade Hampton Office Building
Columbia, South Carolina 29201

Re: Not Exceeding \$80,000,000 Permanent Loan Financing for the Medical
University Hospital Authority ("MUHA")

Dear Mr. Singleton:

Regarding the above-referenced bond issuance, I have reviewed the following documents forwarded to the Office of the Attorney General by the South Carolina State Fiscal Accountability Authority (the "SFAA") as required by Regulation 19-102.03:¹

- (i) The Board of Trustees Finance Resolution ("Resolution");
- (ii) the Petition to the State Fiscal Accountability Authority (the "Petition"); and
- (iii) the proposed SFAA resolution.²

Based on the analysis below, I find these documents to be legally adequate.³

¹ Regulation 19-102.03 requires the Attorney General to review "...the inducement resolution or comparable preliminary approval, if any...." No inducement resolution or comparable preliminary approval was forwarded to the Office of the Attorney General, and therefore, has not been reviewed. This Office makes no finding as to the legal adequacy of such a document, if it exists.

Regulation 19-102.03 requires the Attorney General to review "...any required certificate" No certificate was forwarded to the Office of the Attorney General, and therefore, has not been reviewed. This Office makes no finding as to the legal adequacy of such a document, if it exists.

² Regulations 19-102.01 and 19-102.03 reference the Budget and Control Board. However, the State Fiscal Accountability Authority, which was established by the Restructuring Act of 2014, Act 121, now approves hospital revenue bond proposals.

³ In the context of this letter, the Office of the Attorney General defines "legally adequate" as meeting the regulatory or statutory requirements discussed herein.

The requirements for the Resolution and Petition are found in Regulation 19-102.01(B) and S.C. Code Ann. §§ 44-7-1590(A)(1)-(5), respectively⁴. I find that the Resolution and Petition meet their respective requirements, and are therefore legally adequate.

The requirements for the proposed SFAA resolution are found in Regulation 19-102.01(F) and S.C. Code Ann. § 44-7-1590(B), which provides that in order to for the SFAA to approve the proposal it must find "...that the proposal of the governing board is intended to promote the purposes of this article..." Therefore, if it is approved in its current form and becomes legally effective, I find that the proposed SFAA resolution would meet the requirements of Regulation 19-102.01(F) and S.C. Code Ann. § 44-7-1590(B) and therefore would be legally adequate.

This review was conducted solely to determine if the above-referenced documents are legally adequate as required by Regulation 19-102.03. This letter addresses only the question of whether the documents appear to meet the conditions imposed by the laws and regulations discussed above that certain specific matters be included in the documentation. No finding is made as to any other matters, including whether the Petition should be approved as a matter of policy, or the financial advisability or wisdom of approving the Petition.

Office of the Attorney General

By: _____
Harley L. Kirkland
Assistant Attorney General

⁴ Regarding S.C. Code Ann. § 44-7-1590(A)(5), I have not been made aware of any additional information required by the SFAA.



SOUTH CAROLINA OFFICE OF THE STATE AUDITOR
1401 Main Street, Suite 1200 • Columbia, SC 29201

June 18, 2021

Mr. Delbert H. Singleton, Jr., Authority Secretary
South Carolina State Fiscal Accountability Authority
Wade Hampton Building, Suite 600
Columbia, South Carolina 29201

Re: Not Exceeding \$80,000,000 Bridge Loan and Subsequent Mortgage; Medical University
Hospital Authority

Dear Mr. Singleton:

In accordance with South Carolina Regulation 19-102.03, we have reviewed financial information for Medical University Hospital Authority (MUHA) to evaluate its financial condition. We understand that the bridge loan proceeds will be used to finance the acquisition of certain subsidiaries of LifePoint Health LLC on or about July 31, 2021. The bridge loan will be repaid with the proceeds of a FHA insured mortgage through the Department of Housing and Urban Development (HUD).

Based on our review of MUHA audited financial information for fiscal years 2018 through 2020, forecasted post-acquisition financial statements for the acquired entities for fiscal years ending 2022 – 2026 and forecasted combined financial statements for MUHA and the acquired entities for fiscal year 2022, as well as our discussions with key entity management and consultants, MUHA appears to have sufficient financial resources to meet the debt service requirements of the indebtedness.

If you have questions or need for additional information, please contact me at 803-253-8929 or gkennedy@osa.sc.gov.

Sincerely yours

George L. Kennedy, III, CPA
State Auditor



New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 06/29/21

Final Version Date: 00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: Medical University Hospital Authority Series: 2021
 Borrower (if not Issuer): _____
 Bond Caption: GNMA Mortgage Backed Securities: Series 2021
 Bond Resolution Amount: \$80,000,000 Est. Production/Par Amt: \$80,000,000

Submitted By:

ENTITY: Medical University Hospital Authority
 BY: Lisa M. Goodlett
 ITS: Chief Financial Officer
 Tel: 843.792.4775
 Email: goodlett@musc.edu

Transaction Type/Method of Sale:

Public Offering: Competitive: _____ Negotiated: _____
 Direct Placement: Competitive: Negotiated: _____
 Governmental Loan/Governmental Purchaser
 Other: _____

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): No
 MSRB (EMMA) Continuing Disclosure Responsible Party: N/A

Final Production/Par Amt: \$0

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: MUSC - Project Heartland
 Project Address/Location: Various Amount: \$80,000,000
 Project Type: Hospital Acquisitions County: Varies
 Projected Avg Interest Rate: 3.50% Final Maturity: est. 2046; 25 year terms

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svgs (\$)	Est NPV Svgs (% of Ref. Bds)
		\$			\$	
		\$			\$	
		\$			\$	
		\$			\$	
	Total	\$	*****	*****	\$	

4. FINANCING WORKING GROUP

Financial Advisor: Kaufman Hall Disclosure Counsel: Howell Linkous & Nettles
 Bond Counsel: Haynsworth Sinkler Boyd Issuer's Counsel: Annette Drachman (MUHA Corp. Counsel)
 Underwriter: N/A GNMA Lender
 FHA Lender: Annadale Capital Inc. FHA/ GNMA Lender Counsel: Harris Beach PLLC

5. FINANCING/PROJECT DESCRIPTION

(Briefly, explain the financing/project, the anticipated costs, & the basis for these cost estimates. Use an attachment if needed)

**** Please see the supplemental NDIF attachment which describes this transaction ****

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	<u>06/25/21</u>	<u>MUHA BoT</u>
JBRC Approval:	<u>00/00/00</u>	<u>N/A</u>
SFAA Approval:	<u>06/29/21</u>	

Project Approvals - Phase II (State Entities Only)			Notes:
Issuer/Borrower Approval:	<u>00/00/00</u>		<u>N/A</u>
JBRC Approval:	<u>00/00/00</u>		<u>N/A</u>
SFAA Approval:	<u>00/00/00</u>		<u>N/A</u>

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy)

Yes	No
	<input checked="" type="checkbox"/>

b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?

	<input checked="" type="checkbox"/>
--	-------------------------------------

c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected.

Sq. Footage -	<u>Not Applicable</u>
Cost Estimate -	<u>\$0</u>

Est. Expenditures - Through 6 Months
 Est. Expenditures - Through 12 Months
 Est. Expenditures - Through 18 Months
 Est. Expenditures - Through 24 Months
 Est. Expenditures - Through 36 Months
 Est. Expenditures - Through 48 Months
 - Estimated Expenditures: Thru FY:

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ 80,000,000	6/30/2022	Pay off bridge loan and pay costs of issuance
\$ -		
\$ -		
\$ -		
\$ -		
\$ -		
\$ 80,000,000		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 80,000,000	\$ 76,380,000	Project Fund
(b) Premium/Accr. Int.	\$	n/a	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$	n/a	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	n/a	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 2,545,000	Cost of Issuance
(5) Other (Specify) Type -	\$	\$ 175,000	Title/Builder's Risk Insurance
		\$ 150,000	Appraisals
Residual Project Sources		\$ 100,000	Phase 1 Environmental Study
(6) Other		\$ 650,000	Feasibility Study
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Sources	\$ 80,000,000	\$ 80,000,000	Total Project Uses

Surplus/Deficit \$ -

9. ESTIMATED/ACTUAL BOND COI EXPENDITURES (Added COI entities beyond the following need an attached description **)**

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Base Case: FHA Backed GNMA Placement	Act. Fee For Services	(\$ Δ)
Financial Advisor	Kaufman Hall			\$ 150,000	\$	\$ 150,000
Bond Counsel	Haynsworth Sinkler Boyd			\$ 80,000	\$	\$ 80,000
Disclosure Counsel	Howell Linkous			\$ 30,000	\$	\$ 30,000
Issuer's Counsel	MUHA internal			\$	\$	\$
Underwriter's Counsel				\$	\$	\$
FHA Counsel	Harris Beach PLLC			\$ 242,000	\$	\$ 242,000
Other				\$	\$	\$
Other				\$	\$	\$
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$	\$	\$
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation					\$	\$
FHA Mortgage Insurance Premium				\$ 800,000	\$	\$ 800,000
FHA Exam Fee/ Inspection Fee				\$ 320,000	\$	\$ 320,000
FHA Loan Origination				\$ 645,000	\$	\$ 645,000
GNMA Lender				\$ 150,000	\$	\$ 150,000
				\$	\$	\$
Trustee				\$	\$	\$
Auditor				\$	\$	\$
Contingency				\$ 128,000	\$	\$ 128,000
				\$	\$	\$
				\$ 2,545,000	\$	\$ 2,545,000

Let - Actual COI Fees % of Transaction

Financial Advisor: % of Transaction
 Bond Counsel: % of Transaction
 Total Legal Costs: % of Transaction
 Rating Agencies: % of Transaction

0.19%	#DIV/0!
0.10%	#DIV/0!
0.44%	#DIV/0!
0.00%	#DIV/0!

UW Comp: % of Transaction
 Other COI: % of Transaction
 Total COI: % of Transaction

0.00%	#DIV/0!
2.55%	#DIV/0!
3.18%	#DIV/0!



South Carolina Office of State Treasurer
New Debt Information Form Attachment
06.29.2021 – Medical University Hospital Authority
FHA Permanent Financing – not to exceed \$80,000,000

Supplemental Response to Section 5:

Not to exceed \$80,000,000 Permanent Financing

On April 2, 2021, Medical University Hospital Authority (MUHA) entered into an Indication of Interest letter and a Confidentiality Agreement with LifePoint Health, Inc. (“LifePoint”) to acquire Providence Health and Kershaw Health (collectively, the “System”), on or about July 31, 2021. The purchase price (net of assumed leases and inclusive of estimated inventory and other current assets) subject to certain adjustments is not expected to exceed \$80,000,000. This transaction will further improve the quality and efficiency of care for the area’s population, and provide a solid operational foundation for the implementation of MUHA’s strategic plan and vision for healthcare in the region.

The current financing plan contemplates that MUHA will initially use a taxable fixed rate bridge loan (the “Bridge Loan”) to complete the acquisition. The taxable fixed rate bridge loan is currently expected to close on July 21, 2021.

Financing Plans – Permanent FHA Financing

Once MUHA obtains a commitment from the U.S. Department of Housing and Urban Development (“HUD”) for a Federal Housing Administration (“FHA”) insured mortgage loan, MUHA expects to close on a 25-year taxable GNMA guaranteed mortgage-backed security (“MBS”) financing transaction that will refinance the Bridge Loan and provide MUHA with permanent financing for the acquisition of the System. Proceeds of the GNMA MBS transaction will also be sufficient to pay costs incurred in connection with the FHA-insured mortgage loan. This financing is expected to occur in October 2021.

The proposed transaction will involve MUHA’s fifth FHA-insured mortgage loan, having previously secured FHA-insured mortgage loans to (i) finance portions of its main campus (2004), (ii) acquire its central energy plant (2013), (iii) finance the construction of its Shawn Jenkins Children’s Hospital and Pearl Tourville Women’s Pavilion (2016), and (iv) refinance a commercial loan which funded the acquisition of four acute care hospitals (2019).

MUHA and its advisors began working with HUD in March of 2021 to seek credit approval for a FHA-insured mortgage loan commitment, and FHA is currently in the process of reviewing a preliminary summary and credit package of the proposed financing transaction. Work is also being conducted to complete a financial feasibility study that will accompany MUHA’s formal application for mortgage loan insurance. That application is expected to be submitted to HUD by the end of July of 2021.



South Carolina Office of State Treasurer
New Debt Information Form Attachment
06.29.2021 – Medical University Hospital Authority
FHA Permanent Financing – not to exceed \$80,000,000

Once MUHA receives HUD's approval for FHA mortgage loan insurance, MUHA will work with a GNMA lender to finalize and close on the GNMA-guaranteed MBS private placement. Based on current market conditions, MUHA expects to price at an all-in rate of approximately 3.50%.

The current estimated par amount of approximately \$80,000,000 includes the estimated \$76,380,000 purchase price from the bridge loan, as well as estimated cost of issuance for the FHA financing, and meets the not-to-exceed amount of \$80,000,000. The dynamics of the FHA mortgage loan insurance program and the specialized nature of the GNMA MBS market drive the need for additional financial and legal advisors. MUHA will select a GNMA mortgage lender to issue the GNMA-guaranteed MBS, identify potential MBS investors, and price and sell the GNMA-guaranteed MBS on behalf of MUHA consistent with the process it has followed in the past. Interest rates, fees, and expenses are preliminary estimates at this point based on MUHA's expectation for the financing as currently contemplated. Overall, the cost of issuance for the GNMA-guaranteed MBS transaction are in line with expectations of the South Carolina Office of State Treasurer (the "STO"). Additional verification of the rate offered was performed and also in line with the STO's expectations.

Key Notes

The anticipated HUD timeline is as follows:

- Pre-application filed in May
- Pre-application meeting scheduled June 16th
- HUD feedback expected week of June 21st
- Anticipated HUD approval by September 30th
- Permanent financing will be complete in October

AGENCY: Medical University Hospital Authority

SUBJECT Not Exceeding \$80,000,000 Revenue Anticipate Notes

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$80,000,000 Revenue Anticipation Notes of the Medical University Hospital Authority (MUHA).

MUHA intends to purchase multiple hospitals in Columbia, Winnsboro, and Camden. The hospitals to be acquired are Providence Health, which includes 2 acute care facilities in Columbia and one free standing emergency room in Winnsboro, and Kershaw Health, which includes an acute care hospital located in Camden and a comprehensive urgent care and outpatient center located in Elgin.

MUHA anticipates that there will be an interruption and/or delay of the revenue stream and requires the issuance of taxable fixed rate revenue anticipation notes (RANs) to fund working capital needs related to the acquisition of the hospitals.

MUHA is authorized to issue revenue anticipation notes; provided that such notes have a maturity of not exceeding six months from the date of issuance and do not exceed, in the aggregate, ten percent of the net patient service revenue for the fiscal year of MUHA preceding the fiscal year in which such obligations are issued. The issuance of the notes is subject to approval of the State Fiscal Accountability Authority.

MUHA advises that for fiscal year ended June 30, 2020, net patient service revenues were \$2,017,502,433.

MUHA requests that the SFAA authorize the State Treasurer to negotiate the terms of the short term operating indebtedness which MUHA intends to issue in one or more tranches, shall be issued in an aggregate principal amount not exceeding \$80,000,000 (which is below the statutorily prescribed threshold found in Section 59-123-60, SC Code of Laws), and each tranche of which shall have a maturity of not exceeding six (6) months from the date of its issuance. MUHA also requests that the SFAA authorize the Treasurer to negotiate other terms and conditions of the revenue anticipation notes and to approve all documents related thereto to which MUHA is a party and to negotiate the terms and conditions of up to three (3) renewals of the each tranche of the short term operating indebtedness, for terms not exceeding six (6) months.

AUTHORITY ACTION REQUESTED:

Adopt a resolution authorizing the State Treasurer of South Carolina to negotiate the terms of the above described short-term operating indebtedness which shall be issued in one or more tranches in an aggregate principal amount not exceeding \$80,000,000, and each tranche of which shall have a maturity of not exceeding six (6) months from the date of its issuance. The State Treasurer of the State of South Carolina shall be further authorized to negotiate other terms and conditions of such Short-Term Operating Indebtedness and to approve the form of all documents related thereto to which the Authority shall be a party. The State Treasurer of the State of South Carolina is further authorized to negotiate the terms and conditions of up to three (3) renewals of each tranche of such Short-Term Operating Indebtedness, for terms not exceeding six (6) months.

ATTACHMENTS:

Board of Trustees Acquisition Resolution, Board of Trustees Finance Resolution, Petition, SFAA Resolution, Draft Opinion letter of M. Johnson to Board of Trustees Medical University Hospital Authority; Draft Opinion letter to SFAA dated June 29, 2021

A RESOLUTION

AUTHORIZING THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY TO PURCHASE THE ASSETS OF CERTAIN HOSPITALS AND OTHER MEDICAL FACILITIES IN RICHLAND COUNTY, FAIRFIELD COUNTY, KERSHAW COUNTY, LANCASTER COUNTY, AND NEWBERRY COUNTY, SOUTH CAROLINA, AND OTHER MATTERS RELATED THERETO.

WHEREAS, the Medical University Hospital Authority (the "**Authority**"), an agency of the State of South Carolina, has been authorized at §59-123-60, Code of Laws of South Carolina, 1976 as amended (the "**Enabling Act**") to utilize all provisions of the Hospital Revenue Bond Act, codified at Title 44, Chapter 7, Code of Laws of South Carolina, 1976 as amended (the "**Hospital Revenue Bond Act**") for the purpose of effectuating the powers set forth in the Enabling Act in order to raise monies for Medical University of South Carolina hospitals, clinics, and other health care and related facilities for the Authority; and

WHEREAS, the Board of Trustees of the Authority (the "**Board of Trustees**") is authorized at §59-123-60(E)(3)(c) of the Enabling Act to "make contracts and guarantees, to incur liabilities, to issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, or income in a manner to be in the best interest of the Authority;" and

WHEREAS, the Board of Trustees is authorized at §59-123-60(E)(3)(d) of the Enabling Act "for the purpose of effectuating the provisions of subitem (c) above,[to] utilize all provisions of the Hospital Revenue Bond Act;" and

WHEREAS, the Board of Trustees has determined that the purchase of substantially all of the assets of certain affiliates of Providence Holding Company, LLC ("**Providence Holding Company**") and KershawHealth Holdings, LLC ("**Kershaw Holding Company**" and, together with Providence Holding Company, the "**LifePoint Holding Companies**") that are associated with, or are used in connection with, the ownership and/or operation of Providence Health Downtown and Providence Health - Northeast in Columbia, South Carolina; Providence Health - Fairfield in Winnsboro, South Carolina; and KershawHealth Medical Center in Camden, South Carolina, and associated clinical sites and services (including a clinic in Lancaster, South Carolina, and a clinic in Newberry County, South Carolina) (collectively, the "**Hospitals**") is in the best interest of the Authority; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY IN MEETING DULY ASSEMBLED:

Section 1. It is hereby declared that the facts set forth in the recitals above are in all respects true and correct.

Section 2. The purchase of substantially all of the assets of certain affiliates of LifePoint Holding Companies that are associated with or used in the operation of the Hospitals for a purchase price not to exceed Seventy-Five Million Dollars (\$75,000,000) plus or minus net working capital adjustments and in accordance with the Asset Purchase Agreement dated as of the date hereof between the LifePoint Holding Companies, as sellers, and the Authority, as purchaser, is hereby approved.

Section 3. The purchase of the Hospitals shall be financed with the proceeds of the Indebtedness "in a manner to be in the best interest of the Authority."

Section 4. The President, the Chief Executive Officer, MUSC Health and Vice President for Health Affairs, University, and the Chief Financial Officer of the Authority (collectively, the "**Executing Officers**") are hereby authorized to negotiate and execute such documents and/or agreements as are required to effect the acquisition of the properties described above. The Executing Officers are further authorized to seek all necessary approvals to affect these transfers.

Section 5. The Executing Officers or any of them is authorized by and on behalf of the Authority to execute and deliver one or more mortgages granting a lien or liens on the Authority's interest in certain real property and one or more security agreements granting a lien or liens on certain of the Authority's personal property and such other agreements, instruments, certificates, and documents relating to the foregoing as they, he, or she shall deem necessary or advisable, their, his, or her execution and delivery thereof being conclusive of such determination.

Section 6. The Executing Officers or any of them is authorized to take any and all such further action as they, he, or she shall deem necessary or advisable to carry out the purpose and intent of the foregoing resolutions.

I, the undersigned, being the duly qualified Secretary of the Medical University Hospital Authority (the "*Authority*") do hereby certify that the attached Resolution is a true, correct, and verbatim copy of "AUTHORIZING THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY TO PURCHASE THE ASSETS OF CERTAIN HOSPITALS AND OTHER MEDICAL FACILITIES IN RICHLAND COUNTY, FAIRFIELD COUNTY, KERSHAW COUNTY, LANCASTER COUNTY, AND NEWBERRY COUNTY, SOUTH CAROLINA, AND OTHER MATTERS RELATED THERETO" adopted by the Authority at a meeting duly called and held on June 25, 2021, at which a quorum was present and acting throughout.

IN WITNESS WHEREOF, I have hereunto set my hand for delivery on the 25th day of June, 2021.

Mark C. Sweatman, Secretary of the Board of Trustees,
Medical University Hospital Authority

(RANs)

A RESOLUTION

AUTHORIZING THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY TO ISSUE OR INCUR SHORT-TERM OPERATING INDEBTEDNESS IN ONE OR MORE TRanches AND IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$80,000,000 TO DEFRAY THE PAYMENT OF A PORTION OF CERTAIN EXPENSES AND EXPENDITURES TO BE MADE IN CONNECTION WITH THE OWNERSHIP AND OPERATION OF CERTAIN HOSPITAL AND RELATED AUXILIARY FACILITIES IN RICHLAND COUNTY, FAIRFIELD COUNTY, KERSHAW COUNTY, LANCASTER COUNTY, AND NEWBERRY COUNTY, SOUTH CAROLINA, FROM CERTAIN AFFILIATES OF PROVIDENCE HOLDING COMPANY, LLC AND KERSHAWHEALTH HOLDINGS, LLC, AND OTHER MATTERS RELATED THERETO.

WHEREAS, the Medical University Hospital Authority (the "**Authority**"), an agency of the State of South Carolina, has been authorized at §59-123-60(E)(3)(c) of the Code of Laws of South Carolina, 1976 as amended (the "**Enabling Act**") to "make contracts and guarantees, to incur liabilities, to issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, or income in a manner to be in the best interest of the Authority;" and

WHEREAS, the Authority has also been authorized at §59-123-60(E)(3)(d) of the Enabling Act to "issue revenue anticipation notes and such notes shall have a maturity of not exceeding six months from the date of issuance and shall not exceed, in the aggregate, ten percent of the net patient service revenue for the fiscal year of the [A]uthority preceding the fiscal year in which such obligations are issued;" and

WHEREAS, the audited financial statements of the Authority for the fiscal year ended June 30, 2020, reflect net patient service revenues of \$2,017,502,433; and

WHEREAS, the Board of Trustees of the Authority (the "**Board of Trustees**") has determined that the purchase of substantially all of the assets of certain affiliates of Providence Holding Company, LLC and KershawHealth Holdings, LLC that are associated with, or are used in connection with, the ownership and/or operation of Providence Health Downtown and Providence Health - Northeast in Columbia, South Carolina; Providence Health - Fairfield in Winnsboro, South Carolina; and KershawHealth Medical Center in Camden, South Carolina, and associated clinical sites and services (including a clinic in Lancaster, South Carolina, and a clinic in Newberry County, South Carolina) (collectively, the "**Hospitals**") is in the best interest of the Authority;" and

WHEREAS, the Board of Trustees has also determined that the issuance of revenue anticipation notes in one or more tranches in an aggregate principal amount not to exceed \$80,000,000 and bearing interest at a rate not to exceed six percent (6.00%) per annum (the "**Short Term Operating Indebtedness**") to defray the payment of a portion of certain initial expenses and expenditures to be made in connection with the ownership and operation of the Hospitals (the "**Initial Operating Costs**") is in the best interest of the Authority; and

WHEREAS, the Board of Trustees has also determined that the initial term of each tranche of the Short-Term Operating Indebtedness should not exceed six (6) months and that each tranche of the Short-Term Operating Indebtedness may be renewed up to three (3) times, in each case, for a renewal term not exceeding six (6) months; and

WHEREAS, the Board of Trustees has also determined that it is in the best interest of the Authority to cause a petition (the "**Petition**") in substantially the form of Exhibit "A" attached hereto to be filed with the South Carolina State Fiscal Accountability Authority ("**SFAA**") pursuant to §59-123-60(E)(3)(d) of the Enabling Act for SFAA's approval of the issuance or incurrence of the Short-Term Operating Indebtedness,

NOW, THEREFORE, BE IT RESOLVED, by the **BOARD OF TRUSTEES OF THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY** as follows:

Section 1. It is hereby declared that the facts set forth in the recitals above are in all respects true and correct.

Section 2. The President, the Chief Executive Officer, MUSC Health and Vice President for Health Affairs, University, and the Chief Financial Officer of the Authority (collectively, the "**Executing Officers**") are hereby authorized and directed to take all necessary or appropriate steps to incur or issue the Short-Term Operating

Indebtedness on behalf of the Authority, upon advice received, in consultation with, and with the approval of, the Office of the State Treasurer of South Carolina, in order to finance the payment of the Initial Operating Costs, including, without limitation, the submission of the Petition in substantially the form of Exhibit "A" attached hereto to SFAA.

Section 3. The Short-Term Operating Indebtedness is hereby authorized to be issued or incurred in an aggregate principal amount not to exceed \$80,000,000 and to bear interest at a rate not to exceed six percent (6.00%) per annum.

Section 4. The Short-Term Operating Indebtedness that is hereby authorized to be issued or incurred is in an aggregate principal amount that is less than ten percent (10%) of the net patient service revenue of the Authority for the fiscal year ended June 30, 2020.

Section 5. Each tranche of the Short-Term Operating Indebtedness is hereby authorized to have an initial term not in excess of six (6) months, and each tranche of the Short-Term Operating Indebtedness is hereby authorized to be renewed up to three (3) times, in each case, for a renewal term not exceeding six (6) months.

Section 6. The Executing Officers or any of them is authorized by and on behalf of the Authority to execute and deliver one or more security agreements granting a lien or liens on certain of the Authority's personal property to the extent deemed appropriate by them and approved by the State Treasurer and such other agreements, instruments, certificates, and documents relating to the foregoing as they, he, or she shall deem necessary or advisable, their, his, or her execution and delivery thereof being conclusive of such determination.

Section 7. The Executing Officers or any of them is authorized to take any and all such further action as they, he, or she shall deem necessary or advisable to carry out the purpose and intent of the foregoing resolutions.

I, the undersigned, being the duly qualified Secretary of the Board of Trustees of the Medical University Hospital Authority (the "**Authority**") do hereby certify that the attached Resolution is a true, correct, and verbatim copy of "AUTHORIZING THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY TO ISSUE OR INCUR SHORT-TERM OPERATING INDEBTEDNESS IN ONE OR MORE TRANCHES AND IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$80,000,000 TO DEFRAY THE PAYMENT OF A PORTION OF CERTAIN EXPENSES AND EXPENDITURES TO BE MADE IN CONNECTION WITH THE OWNERSHIP AND OPERATION OF CERTAIN HOSPITAL AND RELATED AUXILIARY FACILITIES IN RICHLAND COUNTY, FAIRFIELD COUNTY, KERSHAW COUNTY, LANCASTER COUNTY, AND NEWBERRY COUNTY, SOUTH CAROLINA, FROM CERTAIN AFFILIATES OF PROVIDENCE HOLDING COMPANY, LLC AND KERSHAWHEALTH HOLDINGS, LLC, AND OTHER MATTERS RELATED THERETO" adopted by the Board of Trustees of the Authority at a meeting duly called and held on June 25, 2021, at which a quorum was present and acting throughout.

IN WITNESS WHEREOF, I have hereunto set my hand for delivery on the 25th day of June, 2021.

Mark C. Sweatman, Secretary of the Board of Trustees,
Medical University Hospital Authority

EXHIBIT "A"

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

TO THE STATE FISCAL ACCOUNTABILITY AUTHORITY)
_____)

P E T I T I O N
(RANs)

This Petition of the Board of Trustees (the "**Board of Trustees**") of the Medical University Hospital Authority (the "**Authority**") respectfully shows:

1. The Authority is an agency of the State of South Carolina (the "**State**") and is an entity created by Act of the General Assembly of South Carolina, codified as §59-123-60, Code of Laws of South Carolina 1976, as amended (the "**Enabling Act**"). The Enabling Act at paragraph (E)(3)(a) grants the Board of Trustees the power to "make contracts and have, hold, purchase, and lease real estate and personal property for corporate purposes." The Enabling Act at paragraph (E)(5) further grants the Board of Trustees the power to "construct, operate, and maintain the hospital and related premises, buildings and facilities, and infrastructure."

2. In fulfilling these powers, the Enabling Act at paragraph (E)(3)(c) permits the Authority to "make contracts and guarantees, to incur liabilities, to issue its notes, bonds and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, or income in a manner to be in the best interest of the authority." In addition, the Enabling Act provides at paragraph (E)(3)(d) that the Authority may "issue revenue anticipation notes and such notes shall have a maturity of not exceeding six months from the date of issuance and shall not exceed, in the aggregate, ten percent of the net patient service revenue for the fiscal year of the [A]uthority preceding the fiscal year in which such obligations are issued."

3. In its meeting on June 25, 2021, the Board of Trustees determined that the purchase of substantially all of the assets of certain affiliates of Providence Holding Company, LLC and KershawHealth Holdings, LLC that are associated with, or are used in connection with, the ownership and/or operation of Providence Health Downtown and Providence Health - Northeast in Columbia, South Carolina; Providence Health - Fairfield in Winnsboro, South Carolina; and KershawHealth Medical Center in Camden, South Carolina, and associated clinical sites and services (including a clinic in Lancaster, South Carolina, and a clinic in Newberry County, South Carolina) (collectively, the "**Hospitals**") is in the best interest of the Authority.

4. The Board of Trustees estimates that the amount required to defray the payment of a portion of certain initial expenses and expenditures to be made in connection with the ownership and operation of the Hospitals (the "**Initial Operating Costs**") does not to exceed \$80,000,000.

5. The audited financial statements of the Authority for the fiscal year ended June 30, 2020, reflect net patient service revenues of \$2,017,502,433.

6. The Board of Trustees determined in its meeting on June 25, 2021, that the Authority should enter into such documents and agreements to take all action as shall be required to incur or issue or incur short-term operating indebtedness (the "**Short-Term Operating Indebtedness**") in one or more tranches to defray a portion of the Initial Operating Costs, and has authorized the President, the Executive Director, and/or the Chief Financial Officer, upon advice received, in consultation with, and upon receipt of the approval of the Office of the State Treasurer of South Carolina (the "**State Treasurer**") to issue or incur the Short-Term Operating Indebtedness as may be appropriate and/or required under State or federal law including specifically the Enabling Act. Pursuant to such authorization, this Petition is presented to request approval for the incurrence or issuance by the Authority pursuant to the Enabling Act of the Short-Term Operating Indebtedness in an aggregate principal amount not to exceed \$80,000,000 (which is less than ten percent (10%) of the net patient service revenue of the Authority for the fiscal year ended June 30, 2020) at interest rate(s) not to exceed six percent (6.00%) per annum.

7. The Board of Trustees also determined that each tranche of the Short-Term Operating Indebtedness should have an initial term not in excess of six (6) months and that each such tranche may, with the approval of the State Treasurer, may be renewed up to three (3) times, in each case, for a renewal term not exceeding six (6) months.

8. In connection with the incurrence or issuance of the Short-Term Operating Indebtedness, the Board of Trustees expects that the Authority, with the approval of the State Treasurer, may execute and deliver one or more security agreements granting a lien or liens on certain of the Authority's personal property.

9. The Short-Term Operating Indebtedness will be incurred or issued by the Authority pursuant to a resolution or resolutions, and authorizations provided therein, which will impose upon the Authority the obligation to pay, in addition to the moneys required for the repayment thereof, all other costs and expenses relating thereto and the transactions contemplated to take place in connection therewith.

Upon the basis of the foregoing, the Board of Trustees hereby respectfully petitions the State Fiscal Accountability Authority to (i) accept the filing of the Petition presented herewith; (ii) find that the proposed financing is intended to promote the purposes of the Enabling Act; and (iii) on the basis of such finding, approve the incurrence or issuance of the Short-Term Operating Indebtedness by the Authority in one or more borrowings and in such final form as may be approved by the State Treasurer.

Respectfully Submitted,

MEDICAL UNIVERSITY HOSPITAL AUTHORITY

By _____
Patrick J. Cawley, M.D, Chief Executive Officer, MUSC
Health and Vice President for Health Affairs, University

By _____
Lisa M. Goodlett, CPA, FACHE, Chief Financial
Officer

June 25, 2021

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

TO THE STATE FISCAL ACCOUNTABILITY AUTHORITY)
_____)

P E T I T I O N
(RANs)

This Petition of the Board of Trustees (the "**Board of Trustees**") of the Medical University Hospital Authority (the "**Authority**") respectfully shows:

1. The Authority is an agency of the State of South Carolina (the "**State**") and is an entity created by Act of the General Assembly of South Carolina, codified as §59-123-60, Code of Laws of South Carolina 1976, as amended (the "**Enabling Legislation**"). The Enabling Legislation at paragraph (E)(3)(a) grants the Board of Trustees the power to "make contracts and have, hold, purchase, and lease real estate and personal property for corporate purposes." The Enabling Legislation at paragraph (E)(5) further grants the Board of Trustees the power to "construct, operate, and maintain the hospital and related premises, buildings and facilities, and infrastructure."

2. In fulfilling these powers, the Enabling Legislation at paragraph (E)(3)(c) permits the Authority to "make contracts and guarantees, to incur liabilities, to issue its notes, bonds and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, or income in a manner to be in the best interest of the authority." In addition, the Enabling Legislation provides at paragraph (E)(3)(d) that the Authority may "issue revenue anticipation notes and such notes shall have a maturity of not exceeding six months from the date of issuance and shall not exceed, in the aggregate, ten percent of the net patient service revenue for the fiscal year of the [A]uthority preceding the fiscal year in which such obligations are issued."

3. In its meeting on June 25, 2021, the Board of Trustees determined that the purchase of substantially all of the assets of certain affiliates of Providence Holding Company, LLC and KershawHealth Holdings, LLC that are associated with, or are used in connection with, the ownership and/or operation of Providence Health Downtown and Providence Health - Northeast in Columbia, South Carolina; Providence Health - Fairfield in Winnsboro, South Carolina; and KershawHealth Medical Center in Camden, South Carolina, and associated clinical sites and services (including a clinic in Lancaster, South Carolina, and a clinic in Newberry County, South Carolina) (collectively, the "**Hospitals**") is in the best interest of the Authority.

4. The Board of Trustees estimates that the amount required to defray the payment of a portion of certain initial expenses and expenditures to be made in connection with the ownership and operation of the Hospitals (the "**Initial Operating Costs**") does not to exceed \$80,000,000.

5. The audited financial statements of the Authority for the fiscal year ended June 30, 2020, reflect net patient service revenues of \$2,017,502,433.

6. The Board of Trustees determined in its meeting on June 25, 2021, that the Authority should enter into such documents and agreements to take all action as shall be required to incur or issue or incur short-term operating indebtedness (the "**Short-Term Operating Indebtedness**") in one or more tranches to defray a portion of the Initial Operating Costs, and has authorized the President, the Executive Director, and/or the Chief Financial Officer, upon advice received, in consultation with, and upon receipt of the approval of the Office of the State Treasurer of South Carolina (the "**State Treasurer**") to issue or incur the Short-Term Operating Indebtedness as may be appropriate and/or required under State or federal law including specifically the Enabling Legislation. Pursuant to such authorization, this Petition is presented to request approval for the incurrence or issuance by the Authority pursuant to the Enabling Legislation of the Short-Term Operating Indebtedness in an aggregate principal amount not to exceed \$80,000,000 (which is less than ten percent (10%) of the net patient service revenue of the Authority for the fiscal year ended June 30, 2020) at interest rate(s) not to exceed six percent (6.00%) per annum.

7. The Board of Trustees also determined that each tranche of the Short-Term Operating Indebtedness should have an initial term not in excess of six (6) months and that each such tranche may, with the approval of the State Treasurer, may be renewed up to three (3) times, in each case, for a renewal term not exceeding six (6) months.

8. In connection with the incurrence or issuance of the Short-Term Operating Indebtedness, the Board of Trustees expects that the Authority, with the approval of the State Treasurer, may execute and deliver one or more security agreements granting a lien or liens on certain of the Authority's personal property.

9. The Short-Term Operating Indebtedness will be incurred or issued by the Authority pursuant to a resolution or resolutions, and authorizations provided therein, which will impose upon the Authority the obligation to pay, in addition to the moneys required for the repayment thereof, all other costs and expenses relating thereto and the transactions contemplated to take place in connection therewith.

Upon the basis of the foregoing, the Board of Trustees hereby respectfully petitions the State Fiscal Accountability Authority to (i) accept the filing of the Petition presented herewith; (ii) find that the proposed financing is intended to promote the purposes of the Enabling Legislation; and (iii) on the basis of such finding, approve the incurrence or issuance of the Short-Term Operating Indebtedness by the Authority in one or more borrowings and in such final form as may be approved by the State Treasurer.

Respectfully Submitted,

MEDICAL UNIVERSITY HOSPITAL AUTHORITY

By _____
Patrick J. Cawley, M.D, Chief Executive Officer, MUSC
Health and Vice President for Health Affairs, University

By _____
Lisa M. Goodlett, CPA, FACHE, Chief Financial
Officer

June 25, 2021

(RANs)

RESOLUTION

APPROVING THE INCURRENCE OR ISSUANCE BY THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY OF SHORT-TERM OPERATING INDEBTEDNESS IN ONE OR MORE TRANCHES AND IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$80,000,000 TO DEFRAY THE PAYMENT OF A PORTION OF CERTAIN EXPENSES AND EXPENDITURES TO BE MADE IN CONNECTION WITH THE OWNERSHIP AND OPERATION OF CERTAIN HOSPITAL AND RELATED AUXILIARY FACILITIES IN RICHLAND COUNTY, FAIRFIELD COUNTY, KERSHAW COUNTY, LANCASTER COUNTY, AND NEWBERRY COUNTY, SOUTH CAROLINA, PURSUANT TO THE PROVISIONS OF TITLE 59, CHAPTER 123 OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED, AND OTHER MATTERS RELATED THERETO.

WHEREAS, the Board of Trustees (the "*Board of Trustees*") of the Medical University Hospital Authority (the "*Authority*") is authorized at §59-123-60(E)(3)(d) of the Code of Laws of South Carolina, 1976 as amended (the "*Enabling Legislation*"), to "issue revenue anticipation notes and such notes shall have a maturity of not exceeding six months from the date of issuance and shall not exceed, in the aggregate, ten percent of the net patient service revenue for the fiscal year of the [A]uthority preceding the fiscal year in which such obligations are issued;" and

WHEREAS, the audited financial statements of the Authority for the fiscal year ended June 30, 2020, reflect net patient service revenues of \$2,017,502,433; and

WHEREAS, the Board of Trustees determined, in a meeting held on June 25, 2021, that the purchase of substantially all of the assets of certain affiliates of Providence Holding Company, LLC and KershawHealth Holdings, LLC that are associated with, or are used in connection with, the ownership and/or operation of Providence Health Downtown and Providence Health - Northeast in Columbia, South Carolina; Providence Health - Fairfield in Winnsboro, South Carolina; and KershawHealth Medical Center in Camden, South Carolina, and associated clinical sites and services (including a clinic in Lancaster, South Carolina, and a clinic in Newberry County, South Carolina) (collectively, the "*Hospitals*") is in the best interest of the Authority; and

WHEREAS, the Board of Trustees has also determined, in a meeting held on June 25, 2021, that the issuance of revenue anticipation notes in one or more tranches and in an aggregate principal amount not to exceed \$80,000,000, bearing interest at a rate not to exceed six percent (6.00%) per annum, and with each tranche having a maturity of not exceeding six (6) months from date of issuance thereof (the "*Short Term Operating Indebtedness*") to defray the payment of a portion of certain initial expenses and expenditures to be made in connection with the ownership and operation of the Hospitals (the "*Initial Operating Costs*") is in the best interest of the Authority,

WHEREAS, the Authority, under and pursuant to the provisions of the Enabling Legislation, has requested that the State Fiscal Accountability Authority approve the incurrence or issuance by the Authority of the Short-Term Operating Indebtedness in one or more tranches and in an aggregate principal amount not to exceed \$80,000,000 at an interest rates not to exceed six percent (6.00%) per annum and for terms of six (6) months, the proceeds of which Indebtedness will defray the Initial Operating Costs; and

NOW, THEREFORE, BE IT RESOLVED, by the STATE FISCAL ACCOUNTABILITY AUTHORITY OF THE STATE OF SOUTH CAROLINA as follows:

Section 1. The State Treasurer of the State of South Carolina is hereby authorized to negotiate the terms of the above-described Short-Term Operating Indebtedness which shall be issued in one or more tranches, shall be issued in an aggregate principal amount not exceeding \$80,000,000, and each tranche of which shall have a maturity of not exceeding six (6) months from the date of its issuance.

Section 2. The State Treasurer of the State of South Carolina is hereby authorized to negotiate other terms and conditions of such Short-Term Operating Indebtedness and to approve the form of all documents related thereto to which the Authority shall be a party.

Section 3. The State Treasurer of the State of South Carolina is further authorized to negotiate the terms and conditions of up to three (3) renewals of each tranche of such Short-Term Operating Indebtedness, for terms not exceeding six (6) months.

Section 4. This Resolution shall take effect immediately.

**HAYNSWORTH
SINKLER BOYD**

HAYNSWORTH SINKLER BOYD, P.A.
134 MEETING STREET, 3RD FLOOR
P. O. BOX 340 (28402)
CHARLESTON, SOUTH CAROLINA 29401
MAIN 843.722.3366
FAX 843.722.2266
www.hsblawfirm.com

[Closing Date – RANs – 2021A], 2021

Board of Trustees of Medical University Hospital Authority
Charleston, South Carolina

Re: \$[2021A Amount] Medical University Hospital Authority, Revenue Anticipation Note,
Series 2021A (the “*Series 2021A Note*”)

Ladies and Gentlemen:

We have acted as bond counsel to the Medical University Hospital Authority (“*MUHA*”), an agency of the State of South Carolina (the “*State*”) established by Act 116 of the 1999 Acts and Joint Resolutions of the General Assembly of South Carolina, codified as §59-123-60 of the Code of Laws of South Carolina 1976, as amended (the “*Enabling Act*”), in connection with the issuance by MUHA of the Series 2021A Note. The Series 2021A Note has been issued to finance the payment of a portion of certain expenses and expenditures to be made in connection with the ownership and operation of certain hospital and auxiliary facilities in Columbia, Winnsboro, Camden, and Lancaster, South Carolina. The Series 2021A Note evidence a loan from [Name of Bank - RANs] (the “*Lender/Bank*”) to MUHA in the principal amount of \$[2021A Amount] made under and pursuant to the provisions of a Credit Agreement (the “*Credit Agreement*”) of even date herewith by and between MUHA and the [Lender/Bank]. The payment of the Series 2021A Note is unsecured.

In our capacity as bond counsel to MUHA, we have prepared or reviewed the following:

1. The Enabling Act.
2. A certified copy of the Bylaws (the “*Bylaws*” and, together with the Enabling Act, the “*Organizational Documents*”) of the Board of Trustees of MUHA.
3. (a) A certified copy of the resolution of the Board of Trustees of MUHA adopted on June 25, 2021, authorizing the acquisition of the hospital and auxiliary facilities by MUHA and (b) a certified copy of the resolution of the Board of Trustees of MUHA adopted on June 25, 2021, authorizing the issuance of the Series 2021A Note and the incurrence of the indebtedness evidenced thereby.
4. Resolution of the South Carolina State Fiscal Accountability Authority adopted on June 29, 2021, authorizing the issuance of the Series 2021A Note subject to the approval of the State Treasurer of South Carolina (the “*State Treasurer*”) as to the final terms thereof.
5. A Certificate of the Chief Executive Officer and Executive Director of MUHA and the Chief Financial Officer of MUHA of even date herewith.
6. A Certificate of the State Treasurer of even date herewith.

HAYNSWORTH SINKLER BOYD

Board of Trustees of Medical University
Hospital Authority
[Closing Date – RANs], 2021
Page 2

7. The Series 2021A Note and the [Loan/Credit] Agreement (collectively, the “*Loan Documents*”).

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings, and court decisions. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. As to questions of fact material to our opinion, we have relied upon representations of MUHA, the certified proceedings and other certifications of public officials furnished to us, and certifications furnished by or on behalf of MUHA without undertaking to verify the same by independent investigation.

In preparation for the issuance of these opinions, we have examined the Constitution and laws of the State including, particularly, the Enabling Act and such other papers, instruments, and documents in this matter as we have deemed necessary or advisable.

Based on the foregoing, we are of the opinion that:

(i) MUHA is duly created and validly existing as a public body corporate and politic and an agency of the State with the corporate power to enter into and perform the Loan Documents.

(ii) The Loan Documents have been duly authorized, executed, and delivered by MUHA and each constitutes a valid and binding agreement of MUHA, enforceable in accordance with its terms.

(iii) The Organizational Documents are in full force and effect.

It is to be understood that the rights of the parties under the Loan Documents are subject to general principles of equity that may permit the exercise of judicial discretion, the exercise of the sovereign police powers of the State and the constitutional powers of the United States of America and to applicable bankruptcy, insolvency, reorganization, moratorium, and other similar laws relating to or affecting creditors' rights generally. In addition, we express no opinion as to the validity of any indemnification obligation upon MUHA or any provisions of the Loan Documents that purport to excuse a party from liability for its own acts or that authorize a party to act in its sole discretion.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

**HAYNSWORTH
SINKLER BOYD**

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P.O. BOX 340 (29402)
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June 29, 2021

South Carolina State Fiscal Accountability Authority
Columbia, South Carolina

Re: Not Exceeding \$80,000,000 Revenue Anticipation Notes issued by the Medical University Hospital Authority ("**MUHA**")

Ladies and Gentlemen:

We are acting as bond counsel in connection with the proposed incurrence or issuance by MUHA of the above-captioned indebtedness (the "**Revenue Anticipation Note Indebtedness**"). At your request, we are delivering this opinion in connection with the consideration by the South Carolina State Fiscal Accountability Authority ("**SFAA**") of the approval of the issuance of the Revenue Anticipation Note Indebtedness pursuant to §59-123-60, Code of Laws of South Carolina, 1976, as amended (the "**Enabling Act**"), which established MUHA.

In that capacity, we have examined originals or copies of the Resolutions of the Board of Trustee of MUHA adopted on June 25, 2021, the form of a proposed Resolution, which we have prepared for SFAA's consideration and which, if adopted by SFAA, permits the incurrence of the Revenue Anticipation Note Indebtedness, the form of a certificate to be executed by the Executive Director and Chief Financial Officer of MUHA, and the forms of certificates to be executed by State Treasurer of South Carolina (collectively, the "**Authorization Documents**").

In rendering the opinions expressed below, we have relied only upon our examination of the Authorization Documents and such other documents, certificates and correspondence referenced above. We have not made or undertaken to make any investigation as to factual matters or as to the accuracy or completeness of any representation, warranty, data, or any other information, whether written or oral, that may have been made or may hereafter may be made by or on behalf of MUHA, SFAA, or the parties to the any of the documents related to the Revenue Anticipation Note Indebtedness. Further, in rendering the opinions expressed below, we do not purport to be experts in, generally familiar with, or qualified to express legal opinions based on, the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State of South Carolina (the "**State**"), and the opinions are limited to the federal laws of the United States of America and the laws of the State.

Based upon the stated examination and assumptions, and subject to the stated qualifications and limitations, we are of the opinion, under existing law, that the Authorization Documents comply with all requirements of the Enabling Act and are legally sufficient and contain all facts, information, and findings by the respective authorities legally required to authorize SFAA to approve the incurrence of the Revenue Anticipation Note Indebtedness.

Except as set forth above, we express no opinion in connection with the incurrence of the Revenue Anticipation Note Indebtedness. The opinions expressed above are rendered solely for your benefit in considering the approval of the incurrence of the Revenue Anticipation Note Indebtedness under the Enabling Act. The opinions expressed above may neither be relied on by you for any other purpose nor be used, circulated, quoted, or relied on by any other person or entity for any other purpose, without, in each instance, our prior written consent. We disclaim any obligation to update the opinion expressed above for events occurring or coming to our attention after the date of this letter.

Very truly yours,



New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 06/29/21

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: Medical University Hospital Authority Series: 2021
 Borrower (if not Issuer): _____
 Bond Caption: Taxable Revenue Anticipation Notes
 Bond Resolution Amount: \$80,000,000 Est. Production/Par Amt: \$80,000,000

Submitted By:

ENTITY: Medical University Hospital Authority
 BY: Lisa M. Goodlett
 ITS: Chief Financial Officer
 Tel: 843.792.4775
 Email: goodlett@musc.edu

Final Production/Par Amt: \$0

Transaction Type/Method of Sale:

Public Offering: Competitive: _____ Negotiated: _____
 Direct Placement: Competitive: x Negotiated: _____
 Governmental Loan/Governmental Purchaser
 Other: _____

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): No
 MSRB (EMMA) Continuing Disclosure Responsible Party: N/A

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: MUSC - CHS
 Project Address/Location: Various Amount: \$80,000,000 / no more than 3 renewals
 Project Type: Revenue Anticipation Notes County: Varies
 Projected Avg Interest Rate: 0.35% for both tranches Final Maturity: 6 months from issuance of each tranche

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est NPV Svgs (\$) (%)	Est NPV Svgs (% of Ref. Bds)
		\$			\$	
		\$			\$	
		\$			\$	
Total		\$	*****	*****	\$	

4. FINANCING WORKING GROUP

Financial Advisor: Kaufman Hall Disclosure Counsel: Howell Linkous & Nettles
 Bond Counsel: Haynsworth Sinkler Boyd Issuer's Counsel: Annette Drachman (MUHA Corp. Coun)
 Bank Counsel: TBD Bank: TBD
 FHA Advisor: Arnadale Capital Inc. FHA Counsel: Harris Beach PLLC

5. FINANCING/PROJECT DESCRIPTION

(Briefly, explain the financing/project, the anticipated costs, & the basis for these cost estimates. Use an attachment if needed)

*** Please see the supplemental NDIF attachment which describes this transaction ***

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	<u>06/25/21</u>	<u>MUHA BoT</u>
JBRC Approval:	<u>00/00/00</u>	<u>N/A</u>
SFAA Approval:	<u>06/29/21</u>	

Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower Approval:	<u>00/00/00</u>	<u>N/A</u>
JBRC Approval:	<u>00/00/00</u>	<u>N/A</u>
SFAA Approval:	<u>00/00/00</u>	<u>N/A</u>

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy) Yes No
_____ x

b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?
_____ x

c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected. Sq. Footage - Not Applicable
Cost Estimate - \$0



South Carolina Office of State Treasurer
New Debt Information Form Attachment
06.29.2021 - Medical University Hospital Authority
Taxable Revenue Anticipation Notes - \$80,000,000

Supplemental Response to Section 5:

\$80,000,000 Taxable Revenue Anticipation Notes (RANs)

On April 2, 2021, Medical University Hospital Authority ("MUHA") entered into an Indication of Interest letter and a Confidentiality Agreement with LifePoint Health, Inc. ("LifePoint") to acquire Providence Health Holding Company LLC ("Providence Health") and Kershaw Health Holdings, LLC ("Kershaw Health") (collectively, the "System"), on or about July 31, 2021. The purchase price (net of assumed leases and inclusive of estimated inventory and other current assets) subject to certain adjustments is not expected to exceed \$80,000,000. This transaction will further improve the quality and efficiency of care for the area's population and provide a solid operational foundation for the implementation of MUHA's strategic plan and vision for healthcare in the region.

Both Providence Health and Kershaw Health are indirect subsidiaries of LifePoint. Providence Health is comprised of two acute-care hospitals located in Columbia, SC, and a new free-standing emergency room ("Providence Health-Fairfield") located in Winnsboro, SC. Kershaw Health is comprised of an acute care hospital located in Camden, SC, and a comprehensive urgent care and outpatient center located in Elgin, SC. The System's expansive sites of care create a favorable access framework to capture growth across the care continuum in this market.

- A. Providence Health:** Providence Health is comprised of two acute-care hospitals located in Columbia, SC, and a new freestanding emergency department ("Providence Health-Fairfield") located in Winnsboro, SC.
- i. **Providence Health Downtown:** Known as "South Carolina's Heart Hospital," Providence Health's main campus ("Providence Health Downtown") is a 258-bed facility that houses a variety of services including outpatient surgery, emergency care, cardiology, cardiovascular surgery diagnostics, imaging, cardiac rehab, general surgery, and more.
 - ii. **Providence Health-Northeast:** Located in the suburbs of Columbia, Providence Health-Northeast is a 74-bed full-service hospital that provides general surgery, orthopedic surgery, neurosurgery, ENT surgery, cardiology, and other surgical services.
 - iii. **Providence Health-Fairfield:** Located in Winnsboro, SC, the Providence Health-Fairfield Emergency Room opened its doors in December of 2018 and operates with ongoing support from Fairfield County.
- B. Kershaw Health:** Kershaw Health is comprised of an acute care hospital located in Camden, SC, and a comprehensive urgent care and outpatient center located in Elgin, SC.



South Carolina Office of State Treasurer
New Debt Information Form Attachment
06.29.2021 – Medical University Hospital Authority
Taxable Revenue Anticipation Notes - \$80,000,000

- i. **Medical Center at Camden:** Kershaw Health's Medical Center (the "Medical Center") in Camden is a comprehensive acute care facility encompassing 121 acute care beds. Emergency room and outpatient services are also provided at the Medical Center. The Medical Center includes a women's center with 10 new mother rooms and 4 labor and delivery rooms, an ICU equipped with 10 beds, a pediatric unit with 10 patient rooms, a surgical unit with 6 operating rooms and 8 pre and 8 post outpatient surgery beds, a GI lab with 3 procedure rooms, and an emergency department with 15 rooms.
- ii. **Urgent Care (Elgin):** Located in Elgin, SC, Kershaw Health urgent care facility provides a convenient location for patients to receive comprehensive, attentive care from board-certified physicians every day of the week.
- iii. **Outpatient Center (Elgin):** Located in Elgin, SC, the Outpatient Center offers imaging services including CT, open MRI, digital mammography, X-ray, ultrasound, and bone density. The center is also equipped with a comprehensive laboratory.

Financing Plans

In conjunction with its acquisition of the System, MUHA will not purchase the existing working capital of the two health systems. MUHA has instead arranged for bank capacity totaling \$80 million provided by TD Bank, N.A. to issue a series of taxable, fixed rate revenue anticipation notes (the "RANs") to fund working capital needs related to the acquisition of the four hospitals. The working capital need is primarily driven by the time lag created by waiting for MUHA to begin collecting Medicaid receipts from the four hospitals. It is contemplated that the RANs will be issued in a series of two tranches, none outstanding for more than six months at a time.

To obtain bank capacity for the RANs, an RFP was issued by the South Carolina Office of State Treasurer (the "STO"). The parameters of MUHA's existing HUD financing structure influenced the design of this financing structure by limiting the collateral options and covenants available. Ten banks were approached with five responding back with a proposal.

The preferred plan is to close on a bank facility for up to \$80 million at a rate of 0.35% for each tranche that is anticipated to be locked by the date of the SFAA meeting. The RANs are likely to be callable at any point before the six-month maturity of each tranche without penalty. Taxable RANS were selected because they provide MUHA with the flexibility to fund working capital needs on a timely and efficient basis.



South Carolina Office of State Treasurer
New Debt Information Form Attachment
06.29.2021 – Medical University Hospital Authority
Taxable Revenue Anticipation Notes - \$80,000,000

FHA's regulatory agreement with MUHA stipulates that short-term borrowings must be paid off for at least 20 consecutive days annually. MUHA intends to issue each of two initial tranches under a credit facility with TD Bank, N.A. as a separate note with a maturity of not more than six months for each note to comply with requisite state statutory authorizations and FHA's regulatory agreement. MUHA also intends to request no more than three renewals of its RAN credit facility with initial drawdowns to occur in August and October of 2021, with any renewal requiring the explicit written consent of the STO.

With respect to the cost of issuance, the HUD dynamic drives the need for additional financial and legal advisors. Overall, the cost of issuance for the placement are low and in line with expectations of the STO. MUHA intends to fund the costs of issuance with its own cash. Additional verification of the rate offered was performed and also in line with the STO's expectations.

MUHA expects to close on the TD Bank N.A. facility for RANs on or about July 21, 2021 following receipt of the necessary approvals from SFAA and FHA.

AGENCY: Executive Director

SUBJECT: Hickory Heights and Oakland Apartments Projects Ceiling Allocation Extension Request

On May 18, 2021, the State Fiscal Accountability Authority granted a tentative ceiling allocation to the Housing Authority of the City of Spartanburg for the Hickory Heights and Oakland Apartments project in the amount of \$11,000,000 with an expiration date of August 16, 2021. Bond counsel for the transaction has indicated that:

The COVID-19 pandemic and other factors outside control of the Borrower, have created substantial backlogs at HUD, and the loan application review process is significantly delayed. Although HUD has notified the Borrower that the Loan is now in underwriting, a critical step to approval, it is possible that HUD review could push the closing of the Bonds beyond the Expiration Date. Because of the backlog at HUD and uncertainties surrounding HUD's underwriting times, the Borrower, together with the Authority, requests an extension of the current allocation by an additional 31 days to allow additional time for HUD to underwrite the Loan.

In accord with S.C. Code of Laws Section 1-11-560(C), bond counsel on behalf of the Housing Authority of the City of Columbia requests an extension of the volume cap allocation for the Hickory Heights and Oakland Apartments project in the amount of \$11,000,000 through September 16, 2021, which is not more than 31 consecutive calendar days and which is a total of not more than 121 days from the date of the allocation.

AUTHORITY ACTION REQUESTED:

In accord with Code Section 1-11-560(C), grant the Housing Authority of the City of Spartanburg's request for an extension of the volume cap allocation for the Hickory Heights and Oakland Apartments project in the amount of \$11,000,000 to September 16, 2021.

ATTACHMENTS:

Luther 5/20/21 letter with attachments; Code Section 1-11-560(C)



Emily S. Luther
Partner
t: 803.253.6841
f: 803.255.8017
emilyluther@parkerpoe.com

Atlanta, GA
Charleston, SC
Charlotte, NC
Columbia, SC
Greenville, SC
Raleigh, NC
Spartanburg, SC
Washington, DC

May 20, 2021

VIA LIQUID FILES

Delbert H. Singleton, Jr.
Assistant Executive Director and Authority Secretary
S.C. State Fiscal Accountability Authority
1200 Senate Street, Suite 600
Columbia, South Carolina 29201

Re:

***Not Exceeding \$11,000,000
Spartanburg Housing Authority
Multifamily Housing Revenue Bonds
(Hickory Heights and Oakland Apartments Project)
Series 2021***

Dear Delbert:

The Housing Authority of the City of Spartanburg, South Carolina (“Authority”) proposes to issue its Multifamily Housing Revenue Bonds, in one or more series, in an aggregate principal amount of not exceeding \$11,000,000 (“Bonds”) to fund, together with federal and state tax credit equity investments, all or a portion of the costs associated with the acquisition and rehabilitation of two affordable housing developments located in the City of Abbeville, South Carolina to be known as the Hickory Heights and Oakland Apartments (collectively, the “Project”).

On behalf of the Authority and Abbeville LP (“Housing Sponsor”), I am writing to the State Fiscal Accountability Authority (“SFAA”) to request an extension of the time limit for the allocation of private activity bond volume cap (“State Ceiling”) previously awarded to the Project pursuant to Section 1-11-560(C) of the Code of Laws of South Carolina 1976, as amended (the “Act”).

I have enclosed the following documents in support of this request and as required by the Act and the Regulations:

1. A completed SFAA transmittal form;
2. Petition of the Authority to the SFAA;
3. Preliminary Resolution adopted by the Board of Commissioners of the Authority on April 27, 2021;
4. Private Participant Disclosure Forms;
5. A form of the final bond resolution of the Authority;
6. A form of bond counsel opinion;

Delbert H. Singleton, Jr.
May 20, 2021
Page 2

7. Letter from Shaunte' Williams, Chief Executive Officer of the Authority requesting the extension on behalf of the Borrower.

The SFAA previously approved a tentative volume cap allocation of \$11,000,000 for the Bonds. Per Section 1-11-560(b) of the Code of Laws of South Carolina 1976, as amended ("Code"), the allocation will automatically expire if the bonds for which the allocation was made are not issued within 90 consecutive calendar days from the date the allocation was made by the SFAA. Currently, the allocation expires on August 16, 2021 ("Expiration Date").

The Project will be financed, in part, by a loan ("Loan") insured by the Federal Housing Administration of the United States Department of Housing and Urban Development ("HUD") pursuant to and in accordance with the provisions of Section 221(d)(4) of the National Housing Act and applicable regulations thereunder. The Borrower submitted its loan application to HUD on March 12, 2021.

The COVID-19 pandemic and other factors outside control of the Borrower, have created substantial backlogs at HUD, and the loan application review process is significantly delayed. Although HUD has notified the Borrower that the Loan is now in underwriting, a critical step to approval, it is possible that HUD review could push the closing of the Bonds beyond the Expiration Date. Because of the backlog at HUD and uncertainties surrounding HUD's underwriting times, the Borrower, together with the Authority, requests an extension of the current allocation by an additional 31 days to allow additional time for HUD to underwrite the Loan.

Other than the backlog at HUD, the Borrower and the financing team are working swiftly toward closing and anticipate the Bonds will be issued in early September. Given a potential closing in September, the SFAA meeting schedule necessitates that the Borrower apply for the extension at the June 29 meeting because the next scheduled meeting of the SFAA on August 24, 2021 will occur after the Expiration Date. Therefore, the only opportunity the Borrower has to apply for an extension is at the June 29 SFAA meeting.

Thank you for your assistance. Please do not hesitate to contact me if you have any questions or need any additional information.

Sincerely,



Emily S. Luther

Enclosures: stated

cc via email w/o encls: Bo Campbell, Counsel to the Authority
Kevin Kibler, Senior Assistant State Treasurer
Robert Macdonald, Assistant State Treasurer
Laurie Fuller, Office of the Executive Director, SFAA

TRANSMITTAL FORM, REVENUE BONDS

TO: Delbert H. Singleton, Jr., Authority Secretary
State Fiscal Accountability Authority
600 Wade Hampton Building
Columbia, SC 29201
OR P. O. Box 12444, Columbia, SC 29211

DATE: May 20, 2021

Submitted for SFAA Meeting on:

June 29, 2021

FROM:

Parker Poe Adams & Bernstein LLP
Name of Law Firm

1221 Main Street, Suite 1100
Street Address/Box Number

Columbia, South Carolina 29201
City, State, Zip Code

803.255.8000
Area Code/Telephone Number

RE:

\$11,000,000
Amount of Issue

Housing Authority of the City of Spartanburg
Name of Issuing Authority

Multifamily Housing Revenue Bond
Type of Bonds or Notes

on or around September 1, 2021
Projected Issue Date

Project Name: Hickory Heights and Oakland Apartments

Project Description: See Attachment A

Employment as a result of the project: N/A

Ceiling Allocation Required
X Yes (\$11,000,000) No
Amount

Refunding Involved
Yes (\$) No
Amount

Project Approved Previously
X Yes (\$11,000,000) No
Amount

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

- A. X Petition
B. N/A Resolution or Ordinance
C. X Inducement Resolution or comparable preliminary approval
D. N/A Department of Health and Environmental Control Certificate if required
E. N/A State Fiscal Accountability Authority Resolution and Public Notice (original)

Plus copies for certification and return to Bonds counsel

F. X Draft Bonds counsel opinion letter

G. N/A Processing Fee

Amount: \$

Check No:

Payor:

Bonds Counsel: Parker Poe Adams & Bernstein LLP

Typed Name of Bonds Counsel

By: [Signature]

ATTACHMENT A TO TRANSMITTAL FORM

The Housing Authority of the City of Spartanburg ("Housing Authority"), has proposed to issue its Multifamily Housing Revenue Bonds (Hickory Heights and Oakland Apartments Project) Series 2021, in the aggregate principal amount of not exceeding \$11,000,000 for the purpose of funding a mortgage loan to Abbeville LP, a South Carolina limited partnership (the "Sponsor"), to provide a portion of the financing needed for the acquisition and rehabilitation of two affordable housing developments located in the City of Abbeville, South Carolina to be known as Hickory Heights and Oakland Apartments (collectively, the "Project"). The Project will provide housing for families earning 60% or less of the area median income.

Hickory Heights, located at 1108 Cambridge Street, Abbeville, SC 29620, was originally built in 1973. Hickory Heights contains 80 units, all covered by a Section 8 HAP Contract, targeting families. There are 20 one-bedroom units, 48 two-bedroom units and 12 three-bedroom units.

Oakland Apartments, located at 200 Virginia Drive, Abbeville, SC 29620, was originally built in 1974. Oakland contains 32 units, all covered by a Section 8 HAP Contract, targeting families. There are 8 one-bedroom units, 16 two-bedroom units and 8 three-bedroom units.

Neither property has had any substantial renovation.

The Sponsor has represented to the Housing Authority that it will spend approximately \$59,000 per unit in hard costs to upgrade and improve the interior and exterior of the Project. Interior upgrades will include new roofs, new windows and doors, new HVAC systems, new water heaters, new hardiplank siding, installation of new luxury vinyl tile flooring, kitchen upgrades including new kitchen cabinets countertops and appliances, upgrades to the electrical systems including the installation of new lighting fixtures, and bathroom renovations including new vanities, bathtubs, and surrounds. The intent of the rehabilitation is to restore the Project, to a "like-new" condition and will bring the property to a comparable level of safety and comfort as other newly renovated market and affordable multifamily properties in Abbeville.

Although it is unlikely that residents of the Project will need to be relocated due to the rehabilitation of the Project, the Sponsor has set aside resources to provide assistance to residents impacted by renovation of rental housing. There is no anticipated permanent relocation of the families currently living at the Project.

STATE OF SOUTH CAROLINA)
)
COUNTY OF SPARTANBURG)

PETITION

_____)
TO THE STATE FISCAL ACCOUNTABILITY)
AUTHORITY OF SOUTH CAROLINA)
_____)

HICKORY HEIGHTS AND
OAKLAND APARTMENTS
PROJECT

The Housing Authority of the City of Spartanburg, South Carolina (the "**Authority**") submits this petition to the State Fiscal Accountability Authority of South Carolina (the "**SFAA**") pursuant to Act 369 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina 1986, the South Carolina State Housing Finance and Development Authority Act of 1977, Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977, as amended (the "**Act**"), Title 31, Chapter 3 of the Code of Laws of South Carolina 1976, as amended ("**Local Act**") and Title 1, Chapter 11 of the Code of Laws of South Carolina 1976, as amended (the "**State Ceiling Act**"), and specifically Section 1-11-530 thereof, and respectfully shows:

1. The Act, among other things, provides that whenever the Authority has determined by resolution that sufficient persons and families of either beneficiary class (as defined in the Act) (the "**Beneficiary Classes**") are unable to pay the amounts at which private enterprise is providing decent, safe and sanitary housing and that through the exercise of one or more of the programs authorized by the Act and the Local Act, decent, safe and sanitary housing will become available to members of the Beneficiary Classes in need therefore, then, on receipt of approval from the SFAA, the Authority is authorized, subject to the conditions set forth in the Act and the Loan Act, to issue from time to time its notes and bonds for the purpose of, among other things, obtaining funds with which to make (a) construction loans secured by mortgages of housing sponsors (as defined in the Act), or of persons or families of the Beneficiary Classes; and (b) permanent mortgage loans to housing sponsors who agree to and are required to provide for construction or rehabilitation of residential housing (as defined in the Act) for rental by persons or families the Beneficiary Classes.
2. The State Ceiling Act, among other things, authorizes the SFAA to allocate the State of South Carolina's ("**State**") ceiling on the issuance of private activity bonds in response to authorized requests from issuing authorities.
3. Each State ceiling allocation made by the SFAA (unless eligible and approved for carry-forward election) is valid only for the calendar year in which the State ceiling allocation is made.
4. Abbeville LP (the "**Sponsor**"), has applied to and requested the Authority to assist the Sponsor by issuing its bonds, anticipated to be designated as Spartanburg Housing Authority Multifamily Housing Revenue Bonds (Hickory Heights and Oakland Apartment Projects) Series 2021 ("**Bonds**"), in the aggregate principal amount of not exceeding \$11,000,000 for the acquisition, rehabilitation and equipping of two affordable housing developments located in the City of Abbeville, South Carolina to be known as the Hickory Heights and Oakland Apartments (the "**Project**").
5. The Authority has preliminarily approved the issuance of the Bonds pursuant to a resolution adopted April 27, 2021, to provide funds to make a mortgage loan to the Sponsor for the

acquisition, rehabilitation and equipping of the Project, to establish the necessary reserve funds and to pay the costs and expenses incurred in connection with the issuance of the Bonds.

6. The Authority will adopt a final resolution (the "**Resolution**") authorizing the issuance and sale of the Bonds and establishing the definitive terms thereof, including those revenues and assets to be pledged to the payment of the Bonds. The Authority will take steps necessary to comply with the requirements of Section 142 of the Internal Revenue Code of 1986, as amended.

7. The Bonds to be issued for the Project would require an allocation of not exceeding \$11,000,000 of the State ceiling. The Bonds constitutes all of the private activity bond financing contemplated for the Project as of the date of this Petition.

8. The net interest rate to be borne by the Bonds has not been determined. The interest rate will not exceed the limitations or contravene the conditions described in the Act.

9. The trustee for the issue and the size, date, maturity schedule, payment dates and repayment provisions with respect to the Bonds shall be finally determined prior to the date the Bonds are issued. As soon as these matters are finally determined, a precise schedule thereof shall be presented to the SFAA or its designee as provided by the Act.

10. The Authority requests that the SFAA delegate to the State Treasurer the ability to approve the interest rate on the Bonds and to grant on behalf of the SFAA final approval for the issuance of the Bonds. Prior to the issuance of the Bonds, the Authority shall have provided to the State Treasurer, to the extent not previously provided herein or otherwise, the information required to be submitted to the SFAA by the provisions of Section 31-13-220, to wit:

- (a) the principal amount of the Bonds to be issued;
- (b) the maturity schedule of the Bonds to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said bonds and notes;
- (e) the method to be employed in selling the Bonds.

11. The Bonds will be a special obligation of the Authority secured by and payable solely from monies, income and receipts of the Authority pledged under the Resolution with respect thereto.

12. A schedule showing the annual debt service requirements of all outstanding bonds and notes of the Authority and source of revenues available for the payment of such debt service requirements has previously been provided to the SFAA.

13. The Authority will produce any further information with respect to the Bonds required by the SFAA.

14. the Project financed with the Bonds will be managed and operated by American Apartment Management Company, Inc. as a multifamily housing project in accordance with applicable provisions of State and federal law.

WHEREFORE, on the basis of the foregoing, the Authority prays that the SFAA (i) preliminarily approve the issuance of the Bonds in the aggregate principal amount set forth above for the purpose of financing the acquisition, rehabilitation and equipping of the Project, establishing necessary reserve funds, and paying the costs and expenses incurred in connection with the issuance

of the Bonds, (ii) approve a State ceiling allocation for the Bonds of \$11,000,000, (iii) approve American Apartment Management Company, Inc. as the management company for the Project.

Respectfully submitted,
**HOUSING AUTHORITY OF THE CITY OF
SPARTANBURG, SOUTH CAROLINA**



Shaunté Evans
Chief Executive Officer

April 27, 2021

A RESOLUTION

MAKING PRELIMINARY PROVISION FOR THE ISSUANCE OF NOT EXCEEDING \$11,000,000 AGGREGATE PRINCIPAL AMOUNT OF MULTIFAMILY HOUSING REVENUE BONDS (HICKORY HEIGHTS AND OAKLAND APARTMENTS PROJECT) SERIES 2021 OF THE HOUSING AUTHORITY OF THE CITY OF SPARTANBURG, SOUTH CAROLINA AND OTHER MATTERS RELATED THERETO.

WHEREAS, the Housing Authority of the City of Spartanburg, SC ("*Spartanburg Housing*") is duly constituted pursuant to the Housing Authorities Law codified at Sections 31-3-10 to 31-3-1810, inclusive, of the Code of Laws of South Carolina 1976, as amended (the "*Local Act*") and vested with all powers granted to a "housing authority" as described in the Local Act;

WHEREAS, with respect to multi-family housing, Spartanburg Housing is vested with same powers as the South Carolina State Housing Finance and Development Authority pursuant to South Carolina State Housing Finance and Development Authority Act of 1977, Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977 (codified at Sections 31-13-10 to 31-13-340, inclusive, of the Code of Laws of South Carolina 1976), as amended, (the "*Act*"), and, in particular, Section 31-13-90 of the Act;

WHEREAS, Spartanburg Housing hereby determines that sufficient persons or families of either beneficiary class (as defined by the Act) (the "*Beneficiary Classes*") are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing and that through the exercise of one or more of the programs authorized by the Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need therefore;

WHEREAS, on the making of such determination, Spartanburg Housing may issue bonds or notes, subject to the conditions set forth in the Act, for the purpose of, among other things, obtaining funds to make (1) construction or rehabilitation loans secured by mortgages of housing sponsors; and (2) permanent mortgage loans to housing sponsors who agree to and shall be required to provide construction or rehabilitation of residential housing for rental or purchase by the Beneficiary Classes;

WHEREAS, ~~Abbeville, LLC~~ a limited partnership duly organized under the laws of the State of Tennessee (the "*Sponsor*"), has applied to and requested Spartanburg Housing to assist the Sponsor by issuing the Spartanburg Housing's bonds expected to be known, with such revisions as the Spartanburg Housing's staff deem appropriate, to be known as Multifamily Housing Revenue Bonds (Hickory Heights and Oakland Apartments Project) Series 2021, in one or more series taxable or tax-exempt, in the aggregate principal amount of not exceeding \$11,000,000 for the purpose of making a loan (the "*Mortgage Loan*") to the Sponsor for the acquisition, rehabilitation, and equipping of two apartment developments known as Hickory Heights and Oakland Apartments, each located in the City of Abbeville, Abbeville County, South Carolina, consisting of a total of 12 units (collectively, the "*Project*"); and

WHEREAS, prior to issuing its bonds or notes, the Spartanburg Housing must obtain the approval of the South Carolina State Fiscal Accountability Authority (the "*SFAA*");

WHEREAS, pursuant to Section 31-3-400 and 31-3-410 of the Local Act, the Authority must be delegated the authority to issue bonds within the territorial jurisdiction of the Housing Authority of the City of Abbeville, South Carolina ("*Abbeville Housing*") and the City of Abbeville, South Carolina ("*City*").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF SPARTANBURG, SC IN A MEETING DULY ASSEMBLED:

Section 1. Adoption of Premises. Each statement of fact set forth in the preamble hereto has been carefully examined and has been found to be in all respects true and correct.

Section 2. Undertakings of Spartanburg Housing.

- (a) In the event the Sponsor meets the requirements set forth herein and in the Act and in order to provide the moneys required to finance the Mortgage Loan, to establish the necessary reserve funds and to pay the costs and expenses incurred in connection therewith, Spartanburg Housing will undertake to issue its bonds, on a taxable or tax-exempt basis, to be designated as "Housing Authority of the City of Spartanburg Multifamily Housing Revenue Bonds (Hickory Heights and Oakland Apartments Project) Series 2021" (with any appropriate series or subseries designations) in the aggregate principal amount of not exceeding \$11,000,000 (the "**Bonds**").
- (b) Any obligation of Spartanburg Housing hereunder is subject to (a) the requirements that (i) the Project shall have received such local approval as is required under the Act, if any, (ii) Spartanburg Housing approve the items which may be included in any required charges (rent plus any other mandatory payments) to occupants of the Project, (iii) the Bonds be approved by the SFAA; and (iv) Spartanburg Housing receives the authorization from the City and Abbeville Housing as required by section 31-3-400 and 31-1-410 of the Code, and (b) the right of Spartanburg Housing in its sole discretion, to rescind this Resolution and to elect not to issue the Bonds at some future date.

Section 3. Obligation of Sponsor. If the Project proceeds as contemplated, the Sponsor agrees as follows:

- (a) to make its Project available for occupancy by persons in the Beneficiary Classes for such period and subject to such conditions as Spartanburg Housing may determine;
- (b) to provide such security for any of its obligations or mortgages to Spartanburg Housing, or of the obligations of any other person to Spartanburg Housing, as Spartanburg Housing may, in its sole discretion request which such security may include federal mortgage insurance or federal agreements to make payments adequate to pay amounts due by such Sponsor or such other person;
- (c) to enter into a mortgage loan agreements with respect to its Project or amendments to its existing mortgage loan documents with respect to its Project, if any, on such terms and conditions as Spartanburg Housing may deem necessary or desirable;
- (d) to pay all costs and expenses incurred by Spartanburg Housing, including its reasonable counsel fees, in furtherance of the undertakings of Spartanburg Housing hereunder, regardless of whether any bonds or notes are issued with respect to its Project;

- (e) to provide Spartanburg Housing with such information and material with respect to its Project, including financial statements and information, reports, tests, surveys, appraisals, plans, specifications, drawings, occupancy rates or rent rolls, studies or feasibility studies, legal opinions, descriptions, and access for inspection of its Project or any other such items as may be requested by Spartanburg Housing; and
- (f) to enter into such agreements including such disclosure agreements as may be required to meet the requirements of Rule 15c2-12(b)(5) promulgated by the U.S. Securities and Exchange Commission, execute such documents and provide such proofs or evidence as Spartanburg Housing may, in its sole discretion, request in connection with its undertakings hereunder.

Section 4. Termination. Spartanburg Housing or the Sponsor may elect not to proceed with the issuance of the Bonds. Spartanburg Housing shall not be obligated hereby to the Sponsor or any other person by virtue of the adoption of this resolution. Neither the Sponsor nor any other person shall have any rights hereunder and Spartanburg Housing shall not be liable in any way to the Sponsor or any other person for any decision it makes not to proceed hereunder regardless of any action taken by the Sponsor or such other person whether known or unknown to Spartanburg Housing.

Section 5. Sale of Bonds: Purchase Contract. The Chairman and the Chief Executive Officer of Spartanburg Housing are hereby authorized to sell the Bonds to a purchaser to be designated by the Chief Executive Officer (the "*Purchaser*") pursuant to the terms and conditions of a term sheet, purchase contract or funding agreement which shall contain the terms and conditions acceptable to Spartanburg Housing for the sale of its notes and bonds or as are approved by the Chief Executive Officer on receipt of advice from counsel to Spartanburg Housing. The authority hereby conferred may be exercised as long as the interest rate of the Bonds does not exceed the limitations or contravene the conditions as described in the Act.

Section 6. No Waiver of Existing Rights of Authority. Notwithstanding anything herein to the contrary, nothing in this resolution shall be construed as a waiver of any default under an existing mortgage loan or a modification of any rights of Spartanburg Housing, and no such waiver or modification shall be effected except by the express written agreement of Spartanburg Housing delivered subsequent to the date hereof.

Section 7. Petition to SFAA. The Chairman, the Chief Executive Officer, counsel to Spartanburg Housing, or any of them, working with bond counsel are authorized and directed to prepare and present to the SFAA the request prescribed by Section 31-13-220 of the Act, the form of which has been provided to Spartanburg Housing, that among other things, sets forth the pertinent terms and provisions relating to the Bonds, determined as provided in this Resolution, and the outstanding bonds and notes of Spartanburg Housing.

Section 8. Designation of Fiduciaries. The Chairman and the Chief Executive Officer are hereby authorized and directed to designate the Trustee and any paying agent and registrar under the financing documents to be entered into with respect to the Bonds.

Section 9. General Authority. The Commissioners of Spartanburg Housing and its appropriate officers, attorneys, agents, and employees are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual, and complete performance of all the terms, covenants, and purposes contained in the Bonds and this Resolution, and each such Commissioner, officer, attorney, and employee is hereby authorized and

directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated thereby.

Section 10. Expiration. This Resolution, if not renewed, will expire on a date which is twelve (12) months from the date of its adoption by the Board.

Section 11. Miscellaneous. All orders and resolutions or any parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This Resolution shall take effect and be in full force from and upon its adoption by the Board.

Section 12. Non-Transferable. This Resolution may not be transferred by the Sponsor. No attempted sale or other transfer of this Resolution shall be valid or binding upon Spartanburg Housing.

Section 13. Reimbursement. Certain costs and expenditures relating to the Project may be incurred by the Sponsor in an amount not exceeding \$11,000,000 prior to the issuance of the Bonds (collectively, "*Initial Expenditures*"). Spartanburg Housing previously executed a letter dated March 11, 2021 ("*Reimbursement Date*"), setting forth the official intent, as described in United States Treasury Regulation §1-150-2, on the part of Spartanburg Housing and authorized the reimbursement from the proceeds of the Bonds for the qualifying Initial Expenditures incurred on or after the date occurring 60 days prior to the Reimbursement Date. Spartanburg Housing hereby affirms the intent to authorize reimbursement of Initial Expenditures incurred on or after the date occurring 60 days prior to the Reimbursement Date.

Section 14. Conditions Precedent. Prior to issuing notes or bonds for the Project, Spartanburg Housing must obtain a delegation of authority to issue bonds within the City and the territorial boundaries of Abbeville Housing. Pursuant to Section 31-3-400 and 31-3-410 of the Local Act, Spartanburg Housing's issuance of bonds for the Project is conditioned upon City holding a public hearing regarding the delegation of authority and the adoption of resolutions of Abbeville Housing and the City declaring that there is a need for Spartanburg Housing to exercise its powers within the City and the territorial boundaries of Abbeville Housing.

Adopted this 27 day of April, 2021.

HOUSING AUTHORITY OF THE CITY OF
SPARTANBURG, SOUTH CAROLINA

By:  , CHAIR
Chair, Board of Commissioners

(SEAL)

ATTEST:

By: 
Secretary

SECTION 1 11 560. Time limits on allocations.

(A) Any state ceiling allocation approved by the board is valid only for the calendar year in which it is approved, unless eligible and approved for carry forward election or unless specified differently in the board certificates required by Section 1 11 550.

(B) Unless eligible and approved for carry forward election or unless specified differently in board certificates required by Section 1 11 550, each state ceiling allocation expires automatically if the bonds for which the allocation is made are not issued within ninety consecutive calendar days from the date the allocation is approved by the board.

(C) In response to a written request by the chairman or other duly authorized official or agent of an issuing authority, the board, acting during the period an approved allocation is valid, may extend the period in which an allocation is valid in a single calendar year by thirty one consecutive calendar days to a total of not more than one hundred twenty one consecutive calendar days.

(D) In response to a written request by the chairman or other authorized official or agent of an issuing authority, the board may reinstate for a period of not more than thirty one consecutive calendar days in any one calendar year part or all of an allocation approved but not extended previously in accordance with subsection (C) of this section in that same calendar year which has expired. The reinstatement request must certify that the authorized request submitted previously is still true and correct or a new authorized request must be submitted.

(E) A tentative ceiling allocation is canceled automatically if the chairman or other authorized official or agent of the issuing authority involved fails to deliver the issue amount certificate required by Section 1 11 550 to the board secretary before the bonds for which the allocation is made are issued.

(F) The chairman or other authorized official or agent of an issuing authority shall advise the board secretary in writing as soon as is practicable after a decision is made not to issue bonds for which a portion of the state ceiling has been allocated. All notices of relinquishment of ceiling allocations must be entered promptly in the board's records by the board secretary.

(G) Ceiling allocations which are eligible and approved for carry forward election are not subject to the validity limits of this section. The board shall join with the issuing authorities involved in carry forward election statements to meet the requirements of the Internal Revenue Service.

SECTION 1-11-560. Time limits on allocations.

(A) Any state ceiling allocation approved by the board is valid only for the calendar year in which it is approved, unless eligible and approved for carry-forward election or unless specified differently in the board certificates required by Section 1-11-550.

(B) Unless eligible and approved for carry-forward election or unless specified differently in board certificates required by Section 1-11-550, each state ceiling allocation expires automatically if the bonds for which the allocation is made are not issued within ninety consecutive calendar days from the date the allocation is approved by the board.

(C) In response to a written request by the chairman or other duly authorized official or agent of an issuing authority, the board, acting during the period an approved allocation is valid, may extend the period in which an allocation is valid in a single calendar year by thirty-one consecutive calendar days to a total of not more than one hundred twenty-one consecutive calendar days.

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(G) Ceiling allocations which are eligible and approved for carry-forward election are not subject to the validity limits of this section. The board shall join with the issuing authorities involved in carry-forward election statements to meet the requirements of the Internal Revenue Service.

SECTION 1-11-570. Budget and Control Board to adopt policies and procedures.

The Budget and Control Board, after review and comment by the committee, may adopt the policies and procedures it considers necessary for the equitable and effective administration of Sections 1-11-500 through 1-11-570.

SECTION 1-11-580. Budget and Control Board to make quarterly payments on certain insurance contracts.

The Budget and Control Board shall make quarterly payments on insurance contracts where the annual premium exceeds fifty thousand dollars. The board shall undertake necessary negotiations to implement this requirement. Where fees may be incurred for quarterly rather than annual payments, the Budget and Control Board shall determine whether the investment income opportunity is greater or less than proposed fees and shall make the decision which best benefits South Carolina.

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AGENCY: Executive Director

SUBJECT: Revenue Bonds

The required reviews on the following proposal to issue revenue bonds has been completed with satisfactory results. The projects require approval under State law. Requests for volume cap ceiling allocation will be handled in a separate agenda item.

- a. **Issuing Authority:** State Housing Finance and Development Authority
Amount of Issue: N/E \$33,000,000 Multifamily Housing Revenue Bonds, Series 2021A
Allocation Needed: \$33,000,000 (carryforward to be used)
Name of Project: Garden Oaks Apartments
Employment Impact: n/a
Project Description: to provide a portion of the financing needed for the acquisition, construction, and equipping of an approximately 288-unit multifamily affordable housing development located in Beaufort County. The project is new construction and will consist of thirteen garden-style apartment building and three nonresidential buildings. The project will offer approximately 96 one bedroom units, 132 two bedroom units, and 60 three bedroom units.
Bond Counsel: Emily Luther, Parker Poe Adams & Bernstein LLP
- b. **Issuing Authority:** State Housing Finance and Development Authority
Amount of Issue: N/E \$22,000,000 Multifamily Housing Revenue Bonds, Series 2021
Allocation Needed: -0- (carryforward to be used)
Name of Project: The Commons at Sulphur Springs
Employment Impact: n/a
Project Description: to provide construction and permanent financing for a portion of the cost of acquisition and construction of multifamily housing to be known as The Commons at Sulphur Springs in Greenville
Bond Counsel: Samuel W. Howell, Howell Linkous & Nettles, LLC
- c. **Issuing Authority:** State Housing Finance and Development Authority
Amount of Issue: N/E \$37,000,000 Multifamily Housing Revenue Bonds, Series 2021
Allocation Needed: \$37,000,000 (carryforward to be used)
Name of Project: Villages at Congaree Pointe
Employment Impact: n/a
Project Description: to provide a portion of the funding needed for the

AGENCY: Executive Director

SUBJECT: Revenue Bonds -- Continued

acquisition, construction, and equipping of an approximately 240-unit multifamily affordable housing development known as Villages at Congaree Pointe. The project is new construction and will consist of ten garden-style apartment buildings and two nonresidential building, including a clubhouse. The projects will offer approximately 60 one bedroom units, 144 two bedroom units, and 36 three bedroom units.

Bond Counsel: Emily Luther, Parker Poe Adams & Bernstein LLP

AUTHORITY ACTION REQUESTED:

Adopt the resolutions approving the referenced proposals to issue revenue bonds.

ATTACHMENTS:

Resolutions with attachments

Agenda Item 14(A)

Revenue Bonds – State Housing Finance and
Development Authority

Garden Oaks Apartments



Emily S. Luther
Partner
t: 803.253.6841
f: 803.255.8017
emilyluther@parkerpoe.com

Atlanta, GA
Charleston, SC
Charlotte, NC
Columbia, SC
Greenville, SC
Raleigh, NC
Spartanburg, SC
Washington, DC

May 20, 2021

VIA EMAIL

Delbert H. Singleton, Jr.
Assistant Executive Director and Authority Secretary
S.C. State Fiscal Accountability Authority
1200 Senate Street, Suite 600
Columbia, South Carolina 29201

Re:

Not Exceeding \$33,000,000
South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Bonds
(Garden Oaks Apartments Project)
Series 2021

Dear Delbert:

The South Carolina State Housing Finance and Development Authority ("Authority") proposes to issue its Multifamily Housing Revenue Bonds (Garden Oaks Apartments Project) Series 2021 ("Bonds") in an aggregate principal amount of not exceeding \$33,000,000. On behalf of the Authority, I am writing to request approval of the Bonds by the State Fiscal Accountability Authority ("SFAA") at its meeting scheduled for June 29, 2021. I have enclosed the following documents in support of this request:

1. Completed SFAA transmittal form;
2. A form of the Preliminary Resolution adopted by the Board of Commissioners of the Authority on May 19, 2021;
3. A form of the Petition of the Authority to the SFAA*;
4. A form of the approving Resolution to be considered for adoption by the SFAA on June 29, 2021;
5. A form of a Notice of Action;
6. A form of bond counsel's opinion letter; and
7. Private Participant Disclosure Forms.

* The executed copy of the Petition will be provided as a supplement to this request on receipt from the Authority.

Delbert H. Singleton, Jr.
May 20, 2021
Page 2

A New Debt Information Form with respect to the Bonds will be submitted to the Office of the State Treasurer under separate cover, and I will provide you with a copy.

The Authority anticipates that it will use the proceeds of the Bonds to make a mortgage loan to Garden Oaks, LP, a South Carolina limited partnership ("Sponsor"), for the acquisition, construction and equipping of an approximately 288-unit multifamily affordable housing development located in Beaufort County, South Carolina ("Development"). The Development will be known as the Garden Oaks Apartments.

In the Petition, the Authority has requested the SFAA delegate to the State Treasurer the power to grant, on behalf of the SFAA, the final approval for the issuance of the Bonds following receipt by the State Treasurer of information with respect to the final details of the Bonds (including the size, date, maturity schedule, and repayment provisions), the annual debt service requirements of the Authority on all of its outstanding bonds and notes, and the method to be employed in selling the Bonds. Pursuant to Section 31-13-220 of the Act, this information will be provided to the State Treasurer, as the designee of the SFAA, prior to the issuance of the Note.

Finally, the Authority and the Sponsor have enclosed with this submission, or will supplement this submission, with certain preliminary schedules for consideration by the SFAA showing (A) the current annual debt service requirements on all outstanding notes and bonds of the Authority, and (B) the expected amount and source of revenues available for the payment of the debt service requirements of the Bonds.

Thank you for your assistance. Please do not hesitate to contact me if you have any questions or need any additional information.

Sincerely,



Emily S. Luther

Enclosures: stated

cc via email w/encls: Tracey Easton, General Counsel; Director of Legal & Human Resources
Kevin Kibler, Senior Assistant State Treasurer
Robert Macdonald, Assistant State Treasurer
Laurie Fuller, Office of the Executive Director, SFAA

BOND TRANSMITTAL FORM

TO: Delbert H. Singleton, Jr., Authority Secretary
State Fiscal Accountability Authority
600 Wade Hampton Building (29201)
P.O. Box 12444
Columbia, SC 29211

DATE: 5/20/2021

Submitted for SFAA Meeting on:
6/29/2021

FROM: Garden Oaks, LP

c/o Parker Poe Adams & Bernstein LLP
1221 Main Street, Suite 1100
Columbia, SC 29201

RE: South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Garden Oaks Apartments Project) Series 2021

Project Issue Date: 9/1/2021

Project Name: Garden Oaks Apartments Project

Project Description: The South Carolina State Housing and Finance and Development Authority (“Housing Authority”), has proposed to issue its Multifamily Housing Revenue Bonds (Garden Oaks Apartments Project) Series 2021 (“Bonds”), in the aggregate principal amount of not exceeding \$33,000,000 for the purpose of funding a mortgage loan to Garden Oaks, LP, a South Carolina limited partnership (the “Sponsor”), to provide a portion of the financing needed for the acquisition, construction, and equipping of an approximately 288-unit multifamily affordable housing development located in Beaufort County, South Carolina, known as Garden Oaks Apartments (the “Project”). The Project is new construction and will consist of thirteen garden-style apartment buildings and three nonresidential buildings. The Project will offer approximately 96 one bedroom units, 132 two bedroom units, and 60 three bedroom units.

Employment as a result of the project: N/A

	YES	NO	AMOUNT
Ceiling Allocation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ 33,000,000
Refunding Involved	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.
Project Approved Previously	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

- A. Petition
- B. Resolution or Ordinance
- C. Inducement Resolution or comparable preliminary approval
- D. Department of Health and Environmental Control Certificate *if required*
- E. State Fiscal Accountability Authority Resolution and Public Notice *(original)*
Plus _____ copies for certification and return to bond counsel
- F. Draft bond counsel opinion letter

G. Processing Fee

Amount: Click or tap here to enter text.

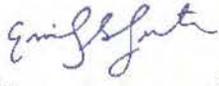
Check No: Click or tap here to enter text.

Payor: Click or tap here to enter text.

H. No Private Participant will be known at the time the Authority considers this agenda item.

J. This agenda item is accompanied by the applicable Private Party Disclosure form for each private participant.

Bond Counsel: Emily S. Luther
Typed Name of Bond Counsel

By: 
Signature

SFAA 06/19/2020

A RESOLUTION

MAKING PRELIMINARY PROVISION FOR THE ISSUANCE OF NOT EXCEEDING \$33,000,000 AGGREGATE PRINCIPAL AMOUNT OF MULTIFAMILY HOUSING REVENUE BONDS (GARDEN OAKS APARTMENTS PROJECT) OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY AND OTHER MATTERS RELATED THERETO.

WHEREAS, pursuant to the South Carolina State Housing Finance and Development Authority Act of 1977, Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977 (codified at Sections 31-13-10 to 31-13-340, inclusive, of the Code of Laws of South Carolina 1976), as amended, (the "**Act**"), the South Carolina State Housing Finance and Development Authority (the "**Authority**"), hereby determines that sufficient persons or families of either beneficiary class (as defined by the Act) (the "**Beneficiary Classes**") are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing and that through the exercise of one or more of the programs authorized by the Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need therefore;

WHEREAS, on the making of such determination, the Authority may issue bonds or notes, subject to the conditions set forth in the Act, for the purpose of, among other things, obtaining funds to make (1) construction or rehabilitation loans secured by mortgages of housing sponsors; and (2) permanent mortgage loans to housing sponsors who agree to and shall be required to provide construction or rehabilitation of residential housing for rental or purchase by the Beneficiary Classes;

WHEREAS, prior to issuing its bonds or notes, the Authority must obtain the approval of the South Carolina State Fiscal Accountability Authority (the "**State Board**"); and

WHEREAS, Garden Oaks, LP, a limited partnership duly organized under the laws of the State of South Carolina (the "**Sponsor**"), has applied to and requested the Authority to assist the Sponsor by issuing the Authority's bonds to be known as Multifamily Housing Revenue Bonds (Garden Oaks Apartments Project) in one or more series, taxable or tax-exempt, in the aggregate principal amount of not exceeding \$33,000,000 for the purpose of making a loan (the "**Mortgage Loan**") to the Sponsor for the acquisition, construction and equipping of a 288-unit apartment development located in the Beaufort County, South Carolina, to be known as Garden Oaks Apartments (the "**Project**").

NOW, THEREFORE, BE IT RESOLVED BY THE BOND COMMITTEE OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY IN MEETING DULY ASSEMBLED:

Section 1. Adoption of Premises. Each statement of fact set forth in the preamble hereto has been carefully examined and has been found to be in all respects true and correct.

Section 2. Undertakings of the Authority. In the event the Sponsor meets the requirements set forth herein and in the Act and in order to provide the moneys required to finance the Mortgage Loan, to establish the necessary reserve funds and to pay the costs and expenses incurred in connection therewith, the Authority will undertake to issue its bonds, on a taxable or tax-exempt basis, to be designated as "South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Garden Oaks Apartments Project)" (with any appropriate series or subseries designations) in the aggregate principal amount of not exceeding \$33,000,000 (the "**Bonds**").

Any obligation of the Authority hereunder is subject to (a) the requirements that (i) the Project shall have received such approvals as are required under the Act, if any, (ii) the Authority approve the

items which may be included in any required charges (rent plus any other mandatory payments) to occupants of the Project, and (iii) the Bonds be approved by the State Board; and (b) the right of the Authority in its sole discretion, to rescind this Resolution and to elect not to issue such Bonds at some future date.

Section 3. Obligation of Sponsor. If the Project proceeds as contemplated, the Sponsor agrees as follows:

(a) to make its Project available for occupancy by persons in the Beneficiary Classes for such period and subject to such conditions as the Authority may determine;

(b) to provide such security for any of its obligations or mortgages to the Authority, or of the obligations of any other person to the Authority, as the Authority may, in its sole discretion request which such security may include federal mortgage insurance or federal agreements to make payments adequate to pay amounts due by such Sponsor or such other person;

(c) to enter into a mortgage loan agreements with respect to its Project or amendments to its existing mortgage loan documents with respect to its Project, if any, on such terms and conditions as the Authority may deem necessary or desirable;

(d) to pay all costs and expenses incurred by the Authority, including its reasonable counsel fees, in furtherance of the undertakings of the Authority hereunder, regardless of whether any bonds or notes are issued with respect to its Project;

(e) to provide the Authority with such information and material with respect to its Project, including financial statements and information, reports, tests, surveys, appraisals, plans, specifications, drawings, occupancy rates or rent rolls, studies or feasibility studies, legal opinions, descriptions, and access for inspection of its Project or any other such items as may be requested by the Authority; and

(f) to enter into such agreements including such disclosure agreements as may be required to meet the requirements of Rule 15c2-12(b)(5) promulgated by the U.S. Securities and Exchange Commission, execute such documents and provide such proofs or evidence as the Authority may, in its sole discretion, request in connection with its undertakings hereunder.

Section 4. Termination. The Authority or the Sponsor may elect not to proceed with the issuance of the Bonds. The Authority shall not be obligated hereby to the Sponsor or any other person by virtue of the adoption of this resolution. Neither the Sponsor nor any other person shall have any rights hereunder and the Authority shall not be liable in any way to the Sponsor or any other person for any decision it makes not to proceed hereunder regardless of any action taken by the Sponsor or such other person whether known or unknown to the Authority.

Section 5. Sale of Bonds; Purchase Contract. The Chairman and the Executive Director of the Authority are hereby authorized to sell the Bonds to a purchaser to be designated by the Executive Director (the "**Purchaser**") pursuant to the terms and conditions of a term sheet, purchase contract or funding agreement which shall contain the terms and conditions employed by the Authority with respect to the Authority for the sale of its notes and bonds or as are approved by the Executive Director on receipt of advice from counsel to the Authority. The authority hereby conferred may be exercised as long as the interest rate of the Bonds does not exceed the limitations or contravene the conditions as described in the Act and (i) the Bonds are rated in one of the three highest rating categories (without regard to subcategories) by either Moody's Investors Services, Inc. or S&P Global Ratings or (ii) the Bonds are to be purchased directly for investment. The purchase price of the Bonds shall be determined by the Chairman and the Executive Director but in no event shall be less than 97.5 % of par plus accrued interest on the Bonds from its date to the date of delivery thereof.

Section 6. No Waiver of Existing Rights of Authority. Notwithstanding anything herein to the contrary, nothing in this resolution shall be construed as a waiver of any default under an existing mortgage loan or a modification of any rights of the Authority, and no such waiver or modification shall be effected except by the express written agreement of the Authority delivered subsequent to the date hereof.

Section 7. Petition to State Board. The Chairman, the Executive Director, counsel to the Authority, or any of them, working with bond counsel are authorized and directed to prepare and present to the State Board the request prescribed by Section 31-13-220 of the Act, the form of which has been provided to the Authority, that among other things, sets forth the pertinent terms and provisions relating to the Bonds, determined as provided in this Resolution, and the outstanding bonds and notes of the Authority.

Section 8. Designation of Fiduciaries. The Chairman and the Executive Director are hereby authorized and directed to designate the Trustee and any paying agent and registrar under the financing documents to be entered into with respect to the Bonds.

Section 9. General Authority. The Commissioners of the Authority and its appropriate officers, attorneys, agents, and employees are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual, and complete performance of all the terms, covenants, and purposes contained in the Bonds and this Resolution, and each such Commissioner, officer, attorney, and employee is hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated thereby.

Section 10. Expiration. This Resolution, if not renewed, will expire on a date which is twelve (12) months from the date of its adoption by the Bond Committee.

Section 11. Miscellaneous. All orders and resolutions or any parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This Resolution shall take effect and be in full force from and upon its adoption by the Bond Committee.

Section 12. Non-Transferable. This Resolution may not be transferred by the Sponsor. No attempted sale or other transfer of this Resolution shall be valid or binding upon the Authority.

STATE OF SOUTH CAROLINA

COUNTY OF LEXINGTON

I, the undersigned Secretary of the Board of Commissioners (the "*Board of Commissioners*") of the South Carolina State Housing Finance and Development Authority (the "*Authority*") do hereby certify that I am the duly qualified and acting Secretary to the Board of Commissioners and as such further certify that attached hereto is a true and correct copy of the Resolution adopted by the Bond Committee of the Board of Commissioners of the Authority at a meeting duly called and held on the 19th day of May 2021, at which meeting a quorum was present and acting throughout, and that said Resolution has not been modified, amended, or repealed and is in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Authority this _____ day of May 2021.

**SOUTH CAROLINA STATE HOUSING FINANCE
AND DEVELOPMENT AUTHORITY**

By:



Bonita Shropshire, Secretary
Board of Commissioners

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PETITION

TO THE STATE FISCAL ACCOUNTABILITY)
AUTHORITY OF SOUTH CAROLINA)
_____)

**GARDEN OAKS
APARTMENTS
PROJECT**

The South Carolina State Housing Finance and Development Authority (the "**Authority**") submits this petition to the State Fiscal Accountability Authority of South Carolina (the "**SFAA**") pursuant to the South Carolina State Housing Finance and Development Authority Act of 1977, Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977, as amended (the "**Act**") and respectfully shows:

1. The Act, among other things, provides that whenever the Authority has determined by resolution that sufficient persons and families of either beneficiary class (as defined in the Act) (the "**Beneficiary Classes**") are unable to pay the amounts at which private enterprise is providing decent, safe and sanitary housing and that through the exercise of one or more of the programs authorized by the Act, decent, safe and sanitary housing will become available to members of the Beneficiary Classes in need therefore, then, on receipt of approval from the SFAA, the Authority is authorized, subject to the conditions set forth in the Act, to issue from time to time its notes and bonds for the purpose of, among other things, obtaining funds with which to make (a) construction loans secured by mortgages of housing sponsors (as defined in the Act), or of persons or families of the Beneficiary Classes; and (b) permanent mortgage loans to housing sponsors who agree to and are required to provide for construction or rehabilitation of residential housing (as defined in the Act) for rental by persons or families the Beneficiary Classes;

2. Garden Oaks, LP (the "**Sponsor**"), has applied to and requested the Authority to assist the Sponsor by issuing the Authority's bonds, anticipated to be designated as Multifamily Housing Revenue Bonds (Garden Oaks Apartments Project), in one or more taxable or tax-exempt series ("**Bonds**"), in the aggregate principal amount of not exceeding \$33,000,000 for the acquisition, construction and equipping of an approximately 288-unit multifamily development located in Beaufort County, South Carolina, to be known as the Garden Oaks Apartments (the "**Project**").

3. The Authority has preliminarily approved the issuance of the Bonds pursuant to a resolution adopted on May 19, 2021, to provide funds to make a mortgage loan to the Sponsor for the acquisition, construction and equipping of the Project, to establish the necessary reserve funds and to pay the costs and expenses incurred in connection with the issuance of the Bonds.

4. The Authority will adopt a final resolution (the "**Resolution**") authorizing the issuance and sale of the Bonds and establishing the definitive terms thereof, including those revenues and assets to be pledged to the payment of the Bonds. The Authority will take steps necessary to comply with the requirements of Section 142 of the Internal Revenue Code of 1986, as amended.

5. The net interest rate to be borne by the Bonds has not been determined. The interest rate will not exceed the limitations or contravene the conditions described in the Act.

6. The trustee for the issue and the size, date, maturity schedule, payment dates and repayment provisions with respect to the Bonds shall be finally determined prior to the date the

Bonds are issued. As soon as these matters are finally determined, a precise schedule thereof shall be presented to the SFAA or its designee as provided by the Act.

7. The Authority requests that the SFAA delegate to the State Treasurer the ability to approve the interest rate on the Bonds and to grant on behalf of the SFAA final approval for the issuance of the Bonds. Prior to the issuance of the Bonds, the Authority shall have provided to the State Treasurer, to the extent not previously provided herein or otherwise, the information required to be submitted to the SFAA by the provisions of Section 31-13-220, to wit:

- (a) the principal amount of the Bonds to be issued;
- (b) the maturity schedule of the Bonds to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said notes;
- (e) the method to be employed in selling the Bonds.

8. The Bonds will be a limited a special obligation of the Authority secured by and payable solely from monies, income and receipts of the Authority pledged under the Resolution with respect thereto.

9. A schedule showing the annual debt service requirements of all outstanding bonds and notes of the Authority and source of revenues available for the payment of such debt service requirements has previously been provided to the SFAA.

10. The Authority will produce any further information with respect to the Bonds required by the SFAA.

[Remainder of page intentionally left blank. Signature page follows.]

WHEREFORE, on the basis of the foregoing, the Authority prays preliminary approval by the SFAA of the issuance of the Bonds in the aggregate principal amount set forth above for the purpose of financing the acquisition, rehabilitation and equipping of the Project, establishing necessary reserve funds, and paying the costs and expenses incurred in connection with the issuance of the Bonds.

Respectfully submitted,

**SOUTH CAROLINA STATE HOUSING
FINANCE AND DEVELOPMENT
AUTHORITY**

Tracey C. Easton
General Counsel

May ____, 2021

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE BONDS (GARDEN OAKS APARTMENTS PROJECT) SERIES 2021

WHEREAS, it is provided by the South Carolina State Housing Finance and Development Authority Act of 1977, as amended (the "Act"), that, upon approval of the State Fiscal Accountability Authority of South Carolina (the "SFAA"), the South Carolina State Housing Finance and Development Authority (the "Authority") may issue from time to time bonds or notes for the purpose of obtaining funds with which to make (1) construction or rehabilitation loans secured by mortgages of housing sponsors; and (2) permanent mortgage loans to housing sponsors who agree to and shall be required to provide construction or rehabilitation of residential housing for rental to persons or families of either Beneficiary Class, as defined in the Act; however, with respect to any particular issue of notes or bonds, one of the following conditions must be met: (a) if there is a public distribution of the notes or bonds, the issue must be rated by one or more of the national rating agencies, and one or more of the additional following conditions must be met: (i) there must be in effect a Federal program providing assistance in repayment of such loans; (ii) the proceeds must be used to acquire either Federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorized to do business in the State of South Carolina; (iii) the payment of the notes or bonds to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the SFAA; or (b) if the notes or bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security agreement in transactions with banks, institutional investors, or to other non-registered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina, 1976, as amended, the documents pursuant to which the notes or bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its right with respect to any collateral or security pledged to secure the notes or bonds; and

WHEREAS, Garden Oaks, LP, a South Carolina limited partnership (the "Sponsor"), has requested the Authority to assist it in an undertaking to acquire, construct and equip a multifamily affordable housing development, consisting of approximately 288 units, located in Beaufort County, South Carolina (the "Project"); and

WHEREAS, in order to provide money to acquire, construct and equip the Project, the Authority proposes to issue its revenue bonds to be known as South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Garden Oaks Apartments Project) Series 2021 in an aggregate principal amount of not exceeding \$33,000,000 (the "Bonds"); and

WHEREAS, the Authority has presented to the SFAA its Petition (the "Petition"), which sets forth certain information with respect to the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE FISCAL ACCOUNTABILITY AUTHORITY IN MEETING DULY ASSEMBLED:

Section 1. Approval is granted to the undertaking of the Authority as outlined in the Petition.

Section 2. Subject to the conditions set forth in Section 3, approval is hereby granted by the SFAA to the execution and delivery by the Authority of its Bonds to be designated as the South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Garden Oaks Apartments Project), or such other designation as the Board of Commissioners of the Authority may determine, in the principal amount of not exceeding \$33,000,000.

Section 3. The approval of the SFAA is conditioned on the following:

(a) The Authority shall have provided to the State Treasurer, to the extent not previously provided herein or otherwise, the final information required to be submitted to the SFAA by the provisions of Section 31-3-220, to wit:

- (i) the principal amount of the Bonds to be issued;
- (ii) the maturity schedule of the Bonds to be issued;
- (iii) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (iv) a schedule showing the amount and source of revenues available for the payment of debt service on the notes and bonds referenced in item (iii); and
- (v) the method to be employed in selling the Bonds;

(b) The approval of the State Treasurer of the form and substance of the Bonds and of such documents as he deems necessary therefore;

(c) The State Treasurer shall find and determine that the funds estimated to be available for the repayment of the Authority's notes and bonds, including the Bonds, will be sufficient to provide for the payment of the principal and interest thereon;

(d) The documents pursuant to which the Bonds are being issued shall provide that all expenses, costs, and fees of the Authority in connection with the issuance of the Bonds, including legal fees, printing, and all disbursements shall be paid by the Sponsor; and

(e) To the extent required, the final approval by the Governor as the elected official of the State of South Carolina for purposes of Section 142(f) of the Internal Revenue Code of 1986, as amended.

Section 4. This Resolution shall take effect immediately upon its adoption.

**NOTICE OF ACTION OF THE
STATE FISCAL ACCOUNTABILITY AUTHORITY**

Notice is given that following the filing of a Petition by the South Carolina State Housing Finance and Development Authority (“Housing Authority”) to the State Fiscal Accountability Authority of South Carolina (“State Authority”), approval has been given by the State Authority to the following undertaking (“Undertaking”) (including changes in any details of the Undertaking as finally consummated that do not materially affect the Undertaking), viz.:

The Housing Authority will issue its not exceeding \$33,000,000 Multifamily Housing Revenue Bonds (Garden Oaks Apartments Project) Series 2021, in one or more series (“Bonds”), pursuant to Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977, as amended (“Act”). The Housing Authority will use the proceeds of the Bonds to fund a mortgage loan to Garden Oaks, LP, a South Carolina limited partnership (“Borrower”), to (i) finance the costs of acquiring, constructing and equipping an approximately 288-unit multifamily housing development to be known as the Garden Oaks Apartments located in Beaufort County, South Carolina, (ii) establish necessary reserve funds and (iii) provide for certain fees and expenses which may be incurred in connection with the issuance of the Bonds.

The Bonds will be payable solely from the amounts to be paid to the Housing Authority by the Borrower pursuant to a loan agreement between the Housing Authority and the Borrower. The Bonds are not an indebtedness of the State of South Carolina (“State”).

The Bonds will be issued pursuant to the Act and a Resolution to be adopted by the Board of Commissioners of the Housing Authority at a meeting of the Board of Commissioners which is expected to be held on or around August 18, 2021. The Bonds will not be (i) secured by, or in any way entitled to, a pledge of the full faith, credit, or taxing power of the Housing Authority or the State, (ii) an indebtedness of the Housing Authority or the State within the meaning of any State constitutional provision or statutory limitation, other than indebtedness payable solely from a revenue-producing project or special source that does not include revenues from any tax or license, (iii) a pecuniary liability of the Housing Authority or the State or (iv) a charge against the general credit or taxing power of the Housing Authority or the State.

Notice is further given that any interested party may, within 20 days after the date of publication of this Notice, but not after, challenge the validity of the State Authority’s action in approving the Undertaking by action *de novo* instituted in the Court of Common Pleas for Beaufort County.

STATE FISCAL ACCOUNTABILITY AUTHORITY
OF SOUTH CAROLINA
By: Delbert H. Singleton, Jr., Secretary



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) / Multifamily Housing - Initial Form

SFAA Approval Date: **06/29/21**

Final Version Date: **00/00/00**

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: S.C. State Housing Finance and Development Authority Series: Series 2021
 Borrower (if not Issuer): Garden Oaks, LP
 Bond Caption: Multifamily Housing Revenue Bonds (Garden Oaks Apartments Project) Series 2021
 Bond Resolution Amount: \$33,000,000 Est. Production/Par Amt: \$32,650,000
(Used to calculate initial COI percentages: 8A - 8B)

Submitted By:

ENTITY: Garden Oaks, LP
 BY: Parker Poe Adams & Bernstein LLP
 ITS: Bond Counsel
 Tel: (803) 253-6867
 Email: Emilyzackon@parkerpoe.com

Final Production/Par Amt: \$0

Transaction Type/Method of Sale:

Public Offering: Competitive: _____ Negotiated: _____
 Direct Placement: Competitive: _____ Negotiated: X
 Governmental Loan/Governmental Purchaser
 Other: _____

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): N
 MSRB (EMMA) Continuing Disclosure Responsible Party: _____

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Garden Oaks Apartments Project
 Project Address/Location: Salem Farms Road, Beaufort, SC 29902 Amount: \$32,650,000
 Project Type: New Construction Affordable Housing County: Beaufort
 Projected Avg Interest Rate: 4.75% Final Maturity: 12/31/61
 Projected Cost per Unit: \$187,382 per unit LIHTC/SCTC: \$28,571,825

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bds	Est. NPV Svgs (\$)	Est. NPV Svgs (% of Ref. Bds)
N/A		\$			\$	
		\$			\$	
		\$			\$	
Total		\$	*****	*****	\$	

4. FINANCING WORKING GROUP

Financial Advisor: _____ Disclosure Counsel: _____
 Bond Counsel: Parker Poe Adams & Bernstein LLP Issuer's Counsel: Tracey Easton, Esq.
 Underwriter: _____ Trustee: _____
 Paying Agent: _____ Other: _____

5. FINANCING/PROJECT DESCRIPTION: (Briefly, explain the multifamily development project, the justification for the SC Housing Tax Credit, the anticipated costs, & the basis for these cost estimates if needed, please attach supplemental page for this)

The South Carolina State Housing and Finance and Development Authority ("Housing Authority"), has proposed to issue its Multifamily Housing Revenue Bonds (Garden Oaks Apartments Project) Series 2021 ("Bonds"), in the aggregate principal amount of not exceeding \$33,000,000 for the purpose of funding a mortgage loan to Garden Oaks, LP, a South Carolina limited partnership (the "Sponsor"), to provide a portion of the financing needed for the acquisition, construction, and equipping of an approximately 288-unit multifamily affordable housing development located in Beaufort County, South Carolina, known as Garden Oaks Apartments (the "Project"). The Project is new construction and will consist of thirteen garden-style apartment buildings and three nonresidential buildings. The Project will offer approximately 96 one bedroom units, 132 two bedroom units, and 60 three bedroom units. The Sponsor intends to finance a portion of the Project using State and Federal Low Income Housing Tax Credits. The State Tax Credits will allow the Sponsor to provide more units and amenities than would otherwise be possible without the provision of State Tax Credits. Without the State Tax Credits, the Borrower would need to reduce the scope of the construction in order to retain affordability.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Authority Approval:	08/18/21	Anticipated Final
JBRC Approval:	00/00/00	
SFAA Approval:	06/29/21	

Project Approvals - Phase II (State Entities Only)		Notes:
SCHFDA Approval:	00/00/00	
JBRC Approval:	00/00/00	
SFAA Approval:	00/00/00	

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

- a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy)
- b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?
- c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected.

	Yes	No
a.	X	
b.		X
c.	Sq. Footage - Cost Estimate -	
	Entire Project	

Est. Expenditures - Through 6 Months
 Est. Expenditures - Through 24 Months
 Est. Expenditures - Through 48 Months
 - Estimated Expenditures: Thru FY:

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ 2,678,000	3/31/2022	Acquisition
\$ 29,972,000	9/30/2023	Construction
\$ -		
\$ 32,650,000		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES: A Construction Financing / B. Permanent Financing

Sources	A. Est. Project Budget / Construction (Sources)	B. Est. Project Budget / Permanent (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par (b) Premium/Accr. Int.	\$ 32,650,000	\$ -	\$ 40,483,201	Project Fund
(2) Issuer/Borrower Contr.	\$ -	\$ -	\$ 1,791,513	Capitalized Interest Fund
(3) Debt Service Fund Trans.	\$ -	\$ -	\$ -	Debt Service Reserve Fund
(4) Debt Service Reserve Fund Contribution	\$ -	\$ -	\$ -	Redemption Price/Escrow Deposit
(5) Other MFHRB Sources			\$ 2,107,833	Cost of Issuance (Incl. UW Disc.)
(a) LIHTC		\$ 19,143,123	\$ 2,262,034	Other (Contingency)
(a) State Housing TC		\$ 9,428,702	\$ 3,000,000	Developer Fee
(c) Grant		\$ 150,000	\$ 1,273,542	Reserves
(d) Mortgage Loan (BTO)	\$ -	\$ 25,244,268	\$ 2,678,000	Acquisition
Total Project Sources	\$ 32,650,000	\$ 53,966,093	\$ -	Renovation
			\$ 369,970	Third party reports/soft costs
			\$ 53,966,093	Total Project Uses
Surplus/Deficit		\$ -		

9. TOTAL ESTIMATED BOND COI EXPENDITURES = 8A + 8B (Added COI entities beyond the following need an attached descr**

COI Entry	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor					\$ -	\$ -
Bond Counsel				\$ 150,000	\$ -	\$ 150,000
LIHTC/Purchaser Counsel				\$ 150,000	\$ -	\$ 150,000
Issuer's Counsel				\$ 25,000	\$ -	\$ 25,000
Trustee's Counsel				\$ 25,000	\$ -	\$ 25,000
Transaction Counsel				\$ 92,500	\$ -	\$ 92,500
Legal Expenses				\$ 100,000	\$ -	\$ 100,000
Rating Agency - S&P				\$ -	\$ -	\$ -
Rating Agency - Moody's				\$ -	\$ -	\$ -
Rating Agency - Fitch				\$ -	\$ -	\$ -
Underwriter's Compensation				\$ -	\$ -	\$ -
Registrar/Paying Agent				\$ -	\$ -	\$ -
Escrow Agent				\$ -	\$ -	\$ -
Loan Fees				\$ 602,885	\$ -	\$ 602,885
Fannie Mae Fees				\$ 707,948	\$ -	\$ 707,948
LIHTC Fees				\$ 6,000	\$ -	\$ 6,000
Issuer's Fee	Authority Fees			\$ 248,500	\$ -	\$ 248,500
				\$ 2,107,833	\$ -	\$ 2,107,833

Est. Actual COI Fees (% of Transaction):

Financial Advisor: % of Transaction
 Bond Counsel: % of Transaction
 Total Legal Costs: % of Transaction
 Rating Agencies: % of Transaction

0.00%	#DIV/0!
0.46%	#DIV/0!
1.66%	#DIV/0!
0.00%	#DIV/0!

UW Comp: % of Transaction
 Other COI: % of Transaction
 Total COI: % of Transaction

0.00%	#DIV/0!
4.79%	#DIV/0!
6.46%	#DIV/0!

Agenda Item 14(B)

Revenue Bonds – State Housing Finance and
Development Authority

The Commons at Sulphur Springs

HOWELL LINKOUS & NETTLES, LLC
Bond Attorneys & Counsellors at Law

Samuel W. Howell, IV
Writer's Direct No. 843.266.3801
E-mail samhowell@bond-law.com

The Linng House
106 Broad Street
Charleston, South Carolina 29401

Post Office Box 1768
Charleston, South Carolina 29402

Telephone 843.266.3800
Fax 843.266.3805

Concentrating in Municipal Bonds,
Local Government Law, Economic
Development Incentives,
Affordable Housing Development

19 May 2021

Delbert H. Singleton, Esq.
Assistant Executive Director and Board Secretary
State Fiscal Accountability Authority
Wadc Hampton Office Building
1200 Senate Street, 6th Floor
Columbia, South Carolina 29201

Not to exceed \$22,000,000
South Carolina State Housing Finance and Development Authority,
Multifamily Housing Revenue Bonds
(The Commons at Sulphur Springs), Series 2021

Dear Delbert:

My firm serves as bond counsel to Douglas Development, Schaumber Development and Holliday Development (collectively, the "Developer"), with respect to the issuance of multifamily housing revenue bonds by the South Carolina State Housing Finance and Development Authority (the "Housing Authority") to provide a portion of the financing for the acquisition and construction of an affordable housing development to be located in Greenville County and known as The Commons at Sulphur Springs (the "Project"). Douglas Development, Schaumber Development, and Holliday Development are the developers of the Project. Douglas Development is located in Aynor, South Carolina. Schaumber Development and Holliday Development are both located in Greenville, South Carolina.

The proceeds of the Bonds will be loaned to DHD Preserve, LLC, a South Carolina limited liability company (the "Housing Sponsor"), formed by the Developer for this project. The bonds will be issued in two series to provide construction and permanent financing for this project. Total project costs are approximately \$37.1 million. Federal and State tax credit equity, in an amount of over \$23.3 million, is expected to be raised as the result of financing the project with tax-exempt private activity bonds.

The project will be the new construction of an approximately 180 unit facility located in Greenville County. Congressman Timmons has provided to the Housing Authority a letter of support for the project (copy enclosed).

Enclosed is the agenda package for the June meeting of the State Fiscal Accountability Authority requesting State law approval for the issuance of the bonds. I have enclosed the following documents:

1. Completed SFAA transmittal form;
2. Inducement Resolution of the Housing Authority;
3. Petition of the Housing Authority to the SFAA;
4. A form of the approving Resolution to be considered for adoption by the SFAA at its June meeting;
5. Bond Counsel opinion letter to SFAA;
6. Form of the Housing Authority's final Bond Resolution;
7. A form of bond counsel's bond opinion letter; and
8. Private Participant Disclosure forms.

By copy of this letter, I am also providing Kevin Kibler with the NDIF for this transaction.

Also attached to the Housing Authority's Petition are (i) the Bond Cash Flows-Expected MBS Settlement Date schedule showing the debt service schedule for both Series of Bonds and payment of debt service on the Bonds from the cash collateral and Fannie Mae payments made under the mortgage backed security described below, (ii) Forecasted Sources and Uses of Funds schedule, and (iii) a schedule of debt service on the Housing Authority's other outstanding bonds as well as the revenues available to pay such debt service.

It is anticipated that the bonds will receive a "Aaa" investment grade rating based on the (i) cash collateralization of the bonds during construction and (ii) the Fannie Mae guarantee of the bonds after the conversion date. Until the conversion date upon completion of construction, the bonds will be cash collateralized from bond proceeds and all debt service due thereon will be paid from such cash. After conversion, the bond proceeds will be used to purchase a mortgage-backed security (MBS) guaranteed by Fannie Mae. Payments from the MBS (as shown in the attached Bond Cash Flows) will fully pay debt service on the bonds through their final maturity. The Housing Authority will sell the Bonds to Stifel Nicolaus & Company, Incorporated, as underwriter for the Bonds, for a public distribution of the Bonds.

The Bonds are intended to be issued as exempt facility bonds for qualified residential rental projects under Section 142(a)(7) of the Internal Revenue Code of 1986, as amended. Volume cap for this financing is expected to be provided by the Housing Authority from carry-forward volume cap that has previously been allocated to the Housing Authority.

BOND TRANSMITTAL FORM

TO: Delbert H. Singleton, Jr., Authority Secretary
 State Fiscal Accountability Authority
 600 Wade Hampton Building (29201)
 P.O. Box 12444
 Columbia, SC 29211

DATE: 5/20/2021

Submitted for SFAA Meeting on:
 6/29/2021

FROM: Howell Linkous & Nettles, LLC

106 Broad Street
 Charleston, SC 29401

RE: Not to exceed \$22,000,000 South Carolina State Housing Finance and Development Authority, Multifamily Housing Revenue Bonds (The Commons at Sulphur Springs), Series 2021

Project Issue Date: 7/15/2021

Project Name: The Commons at Sulphur Springs

Project Description: to provide construction and permanent financing for a portion of the costs of acquisition and construction of multifamily housing to be known as The Commons at Sulphur Springs, in Greenville County, South Carolina

Employment as a result of the project: Click or tap here to enter text

	YES	NO	AMOUNT
Ceiling Allocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ -0-
Refunding Involved	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text
Project Approved Previously	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

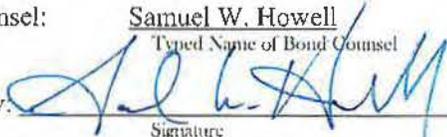
- A. Petition
- B. Resolution or Ordinance
- C. Inducement Resolution or comparable preliminary approval
- D. Department of Health and Environmental Control Certificate *if required*
- E. State Fiscal Accountability Authority Resolution and Public Notice *(original)*
 Plus 1 copies for certification and return to bond counsel
- F. Draft bond counsel opinion letter
- G. Processing Fee

Amount: \$ Click or tap here to enter text. **Check No:** Click or tap here to enter text.

Payor: Click or tap here to enter text.

- H. No Private Participant will be known at the time the Authority considers this agenda item.
- J. This agenda item is accompanied by the applicable Private Party Disclosure form for each private participant.
- K. All documents have been uploaded to the SFAA Authority File Drop.

Bond Counsel: Samuel W. Howell
Typed Name of Bond Counsel

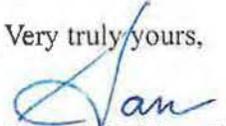
By: 
Signature

Delbert H. Singleton, Esq.
19 May 2021
Page 3

I will attend the SFAA's meeting to answer any questions which may arise at the meeting. In the meantime, should you have any questions or need any additional information, please give me a call.

With kindest personal regards, I remain,

Very truly yours,



Samuel W. Howell

SWH,IV/sls
Enclosures

cc: Mr Kevin Kibler (via fed ex)
Tracey C. Easton, Esq.(via fed ex)

PETITION FOR APPROVAL

TO: THE STATE FISCAL ACCOUNTABILITY AUTHORITY))))	The Commons at Sulphur Springs
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This Petition of the South Carolina State Housing Finance and Development Authority (the "Authority"), is submitted to the State Fiscal Accountability Authority (the "SFAA") pursuant to the South Carolina State Housing Finance and Development Authority Act of 1977 (Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended) (the "Act"), and respectfully shows:

1. The Act, among other things, provides that whenever the Authority shall have determined by resolution that sufficient persons or families of either beneficiary class (as defined in the Act) (the "Beneficiary Classes") are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing and that through the exercise of one or more of the programs authorized by the Act, decent, safe, and sanitary housing will become available to members of the class in need therefor, then, upon obtaining the approval of the SFAA pursuant to the Act, and in order to provide funds for its corporate purposes, the Authority is authorized to issue from time to time its bonds or notes for the purpose of obtaining funds with which to make construction and permanent mortgage loans to housing sponsors who agree to and are required to provide for construction and/or rehabilitation of residential housing (as defined in the Act) for rental by persons or families of either Beneficiary Class; provided, however, that with respect to any particular issue of bonds or notes, one of the following conditions must be met: (a) if there is a public distribution of the bonds or notes, the issue must be rated by one or more of the national rating agencies, and one or more of the following conditions must be met: (i) there must be in effect a federal program providing assistance in repayment of the loans; or (ii) the proceeds must be used to acquire either federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorized to do business in the State of South Carolina; or (iii) the payment of the bonds or notes to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the SFAA; or (b) if the bonds or notes are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security agreement in transactions with banks, institutional investors, or other nonregistered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina 1976, as amended, and the documents pursuant to which the bonds or notes are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the bonds or notes.

2. DHD Preserve, LLC (the "Housing Sponsor"), a South Carolina limited liability company, has requested that the Authority assist it with the construction and permanent financing for the acquisition and construction of a 180-unit apartment development to be located in Greenville County, South Carolina, and known as The Commons at Sulphur Springs (the

“Project”) by the funding of one or more mortgage loans (the “Mortgage Loan”) through the issuance of its revenue bonds.

3. The Authority proposes to fund the Mortgage Loan to the Housing Sponsor by issuing its bonds pursuant to a Resolution to be adopted by the Authority (the “Resolution”), such bonds to be known as “South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (The Commons at Sulphur Springs) (the “Bonds”), the proceeds of which will be used to fund the Mortgage Loan to the Housing Sponsor to provide construction and permanent financing for a portion of the costs of the Project and to qualify the Project for federal and South Carolina Low Income Housing Tax Credits (the “Tax Credits”). The Bonds are to be issued in the aggregate principal amount not to exceed \$22,000,000.

4. The Authority requested of the SFAA, and was granted, a carry-forward allocation of private activity bond volume cap under Section 146(f)(2) of the Code, a portion of which shall be allocated to the Bonds.

5. The Authority has determined that:

(a) (i) Sufficient persons or families of the Beneficiary Classes are unable to pay rent in the amounts at which private enterprise is providing decent, safe, and sanitary housing; (ii) through the exercise of one or more of the loan programs authorized by the Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need therefor; and (iii) a series of bonds or notes must be sold in order to alleviate the lack of decent, safe, and sanitary housing available to individuals of the Beneficiary Classes.

(b) In order to provide the moneys necessary to continue to implement the Authority’s program, the Bonds must be issued.

(c) The Bonds are expected to be issued in two series. The Series A Bonds will provide a portion of the construction financing for the Project, as well as permanent financing for the Project. The Series B Bonds will provide a portion of the construction financing for the Project. Both series of Bonds will be secured by cash collateral reserves during the construction period. The Series B Bonds will be paid in full upon completion of the Project from a portion of the cash collateral reserves. After conversion upon completion of construction, the Series A Bonds will be secured by a mortgage-backed security issued by Fannie Mae. This security structure is expected to result in an acceptable investment grade rating from a national rating agency, which arrangement has been determined by the Authority to be sufficient for purposes of the Act, and that the revenues or other funds estimated to be available for the payment of debt service will provide moneys required for the repayment of the principal and interest on the bonds and notes of the Authority, including the Bonds.

6. The Authority will adopt the Resolution authorizing the issuance and delivery of the specific maximum amount of the Bonds and establishing the definitive terms thereof, including those revenues and assets to be pledged to the payment of the Bonds as described

above. The Authority will take steps necessary to comply with the requirements of Sections 103 and 141-150 of the Code.

7. It is expected that the Bonds will be issued pursuant to a Trust Indenture (the "Indenture") between the Authority and a corporate trustee to be approved by the Authority pursuant to which the proceeds of the Bonds will be paid to the Trustee for deposit as provided in the Indenture and used to finance a portion of the costs of acquisition and construction of the Project and the costs of issuance of the Bonds. The net interest rate to be borne by the Bond has not been determined. It is expected that the average interest rate on the Series A Bonds will be approximately two and 20/100 per centum (2.20%) per annum. The average rate of the Series B Bonds is expected to be approximately zero and 39/100 (0.39%) per annum.

8. The size, date, maturity schedule, payment dates, and repayment provisions with respect to the Bonds shall be finally determined prior to the date the Bonds are issued. As soon as these matters are finally determined, a precise schedule thereof shall be presented to the SFAA or its designee as provided by the Act. There are hereby filed with the SFAA pro forma schedules with respect to the Bonds based on current estimates and market conditions.

9. The Authority requests that the SFAA delegate to the State Treasurer the ability to approve the interest rates on the Bonds, and upon making determination that the funds anticipated to be available for the payment of the Authority's notes and bonds, including the Bonds, will be sufficient to provide for the payment of principal and interest thereon, to grant on behalf of the SFAA final approval for the issuance of the Bonds. Prior to the issuance of the Bonds, the Authority shall have provided to the State Treasurer, to the extent not previously provided herein or otherwise, the information required to be submitted to the SFAA by the provisions of Section 31-13-220, to wit:

- (a) the principal amount of the Bonds to be issued;
- (b) the maturity schedule of the Bonds to be issued;
- (c) schedules showing the annual debt service requirements on all outstanding notes and bonds of the Authority;
- (d) schedules showing the amount and source of revenues available for the payment of the debt service requirements established by the schedules referenced in item (c); and
- (e) the method to be employed in selling the Bonds.

Attached hereto in response to the requirements of Section 31-13-220 are the following schedules, certain of which are pro forma schedules because the Bonds have not been priced or sold as of the date of this Petition, to wit:

- (i) a pro forma (in lieu of final schedules) of the principal amount of the Bonds to be issued;
- (ii) a pro forma (in lieu of final schedules) of the maturity schedule of the Bonds to be issued;

- (iii) schedules showing the annual debt service requirements on all outstanding notes and bonds of the Authority have previously been provided to the Office of the State Treasurer;
- (iv) schedules showing the amount and source of revenues available for the payment of the debt service requirements established by the schedules referenced in item (iii) have previously been provided to the Office of the State Treasurer; and
- (v) the method to be employed in selling the Bonds;

10. The Bonds are special obligations of the Authority secured by and payable solely from moneys, income, and receipts of the Authority pledged under the Resolution and the Indenture with respect thereto.

11. Schedules showing the annual debt service requirements of all outstanding bonds and notes of the Authority and the sources of revenues available for the payment of such debt service requirements have previously been provided to the Office of the State Treasurer by Authority.

WHEREFORE, on the basis of the foregoing, the Authority prays the SFAA (i) to accept the filing of this Petition and the documents submitted herewith; (ii) to undertake such review as it deems necessary; and (iii) to give conditional approval of the issuance of the Bonds, in the aggregate principal amount of not to exceed \$22,000,000 for the purpose of financing the Mortgage Loan to pay a portion of the cost of the acquisition and construction of the Project, as set forth above, and for paying the costs of issuance in connection therewith.

Respectfully submitted,

**SOUTH CAROLINA STATE HOUSING FINANCE
AND DEVELOPMENT AUTHORITY**

By: _____
General Counsel

May __, 2021

A RESOLUTION

MAKING PRELIMINARY PROVISION FOR THE ISSUANCE OF NOT TO EXCEED \$22,000,000 AGGREGATE PRINCIPAL AMOUNT OF MULTIFAMILY HOUSING REVENUE BONDS (THE COMMONS AT SULPHUR SPRINGS) OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY AND OTHER MATTERS RELATED THERETO.

WHEREAS, the South Carolina State Housing Finance and Development Authority Act of 1977, Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977, as amended, (the "Act"), provides that the South Carolina State Housing Finance and Development Authority (the "Authority"), upon making a determination that sufficient persons or families of either beneficiary class (as defined by the Act) (the "Beneficiary Classes") are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing, that through the exercise of one or more of the programs authorized by the Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need therefor, and that a series of bonds or notes must be sold in order to alleviate the lack of decent, safe, and sanitary housing available to members of the Beneficiary Classes; and

WHEREAS, upon making such determination and upon the approval of the State Fiscal Accountability Authority (the "SFAA"), the Authority may issue from time to time notes and bonds for the purpose of obtaining funds with which to make (1) construction and/or rehabilitation loans secured by mortgages of housing sponsors; and (2) permanent mortgage loans to housing sponsors who agree to and shall be required to provide construction and/or rehabilitation of residential housing for rental by persons or families of either beneficiary class as defined by the Act, provided, however, with respect to any particular issue of notes or bonds one of the following conditions must be met: (a) if there is a public distribution of the notes or bonds, the issue must be rated by one or more of the national rating agencies and one or more of the following conditions must be met: (i) that there is in effect a federal program providing assistance in the payment of such loans made by the Authority; (ii) the proceeds must be used to acquire either federally insured mortgages or mortgages insured by a private mortgage insurance company authorized to do business in the State of South Carolina; or (iii) the payment of the notes or bonds to the purchasers of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the SFAA; or (b) if the notes or bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgages or other security agreement in transactions with banks, institutional investors, or other non-registered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina, 1976, as amended, and the documents pursuant to which the notes or bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the notes or bonds; and

WHEREAS, DHD Preserve, LLC, a limited liability company duly organized under the laws of the State of South Carolina (the "Sponsor") intends, with the assistance of the Authority, to acquire and construct (i) a 180-unit apartment development located at 526 Sulphur Springs

Road, in Greenville County, South Carolina, to be known as The Commons at Sulphur Springs, at an expected cost of approximately \$37,300,000; and

WHEREAS, the Sponsor has requested the assistance of the Authority by funding a mortgage loan (the "Mortgage Loan") through the issuance of its multifamily housing revenue bonds in the expected maximum principal amount of \$22,000,000 (the "Bonds") to finance a portion of the costs of the Project;

NOW, THEREFORE, BE IT RESOLVED BY THE BOND COMMITTEE OF THE BOARD OF COMMISSIONERS OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY IN MEETING DULY ASSEMBLED:

Section 1. Adoption of Premises. Each statement of fact set forth in the preamble hereto has been carefully examined and has been found to be in all respects true and correct.

Section 2. Undertakings of the Authority. In the event the Sponsor meets the requirements set forth herein and in order to provide the moneys required to finance the Mortgage Loan, to establish the necessary reserve funds, and to pay the costs and expenses of the Authority in connection therewith, the Authority will undertake to issue a series of bonds to be designated as "South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (The Common at Sulphur Springs)" (with any appropriate series or subseries designation) in the aggregate principal amount of not to exceed \$22,000,000.

Any obligation of the Authority hereunder is subject to (a) the requirements that (i) the Project shall have received such local approval, if any, as is required under the Act, (ii) the Authority approve the items which may be included in any required charges (rent plus any other mandatory payments) to occupants of the Project, and (iii) the issuance of the Bonds being approved by the SFAA and (b) the right of the Authority in its sole discretion, to rescind this resolution and to elect not to issue such Bonds at some future date.

Section 3. Obligation of Sponsor. If the plan proceeds as contemplated, the Sponsor agrees as follows:

(a) to make the Project available for occupancy by persons in the Beneficiary Classes for such period and subject to such conditions as the Authority may determine;

(b) to provide such security for any of its obligations or mortgages to the Authority, or of the obligations of any other person to the Authority, as the Authority may, in its sole discretion request which such security may include federal mortgage insurance or federal agreements to make payments adequate to pay amounts due by such Sponsor or such other person;

(c) to enter into a mortgage loan agreement with respect to the Project on such terms and conditions as the Authority may deem necessary or desirable;

(d) to pay all costs and expenses incurred by the Authority, including its reasonable counsel fees, in furtherance of the undertakings of the Authority hereunder, regardless of whether any bonds or notes are issued with respect to the Project;

(e) to provide the Authority with such information and material with respect to the Project, including financial statements and information, reports, tests, surveys, appraisals, plans, specifications, drawings, occupancy rates or rent rolls, studies or feasibility studies, legal opinions, descriptions, and access for inspection of the Project or any other such items as may be requested by the Authority; and

(f) to enter into such agreements including such disclosure agreements as may be required to meet the requirements of S.E.C. Rule 15c2-12(b)(5), execute such documents and provide such proofs or evidence as the Authority may, in its sole discretion, request in connection with its undertakings hereunder.

Section 4. Termination. The Authority or the Sponsor may elect not to proceed with the financing. The Authority shall not be obligated hereby to the Sponsor or any other person by virtue of the adoption of this resolution. Neither the Sponsor nor any other person shall have any rights hereunder and the Authority shall not be liable in any way to the Sponsor or any other person for any decision it makes not to proceed hereunder regardless of any action taken by the Sponsor or such other person whether known or unknown to the Authority.

Section 5. Sale of Bonds; Purchase Contract. The Chairman or Vice-Chairman and the Executive Director of the Authority are hereby authorized to sell any or all series of the Bonds to Stifel, Nicolaus & Company, Incorporated or such other investment bank or institutional purchaser as designated by the Sponsor and approved by the Executive Director (the "Purchaser") pursuant to the terms and conditions of a Purchase Contract in substantially the form heretofore employed by the Authority in connection with the sale of its bonds. The authority hereby conferred may be exercised as long as the interest rate of the Bonds does not cause the interest rate on the Mortgage Loan to exceed five and no/100 per cent (5.00%) per annum and (a) if there is a public distribution of the Bonds, the issue must be rated by one or more of the national rating agencies and one or more of the following conditions must be met: (i) that there is in effect a federal program providing assistance in the payment of such loans made by the Authority; (ii) the proceeds must be used to acquire either federally insured mortgages or mortgages insured by a private mortgage insurance company authorized to do business in the State of South Carolina; or (iii) the payment of the Bonds to the purchasers of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the SFAA; or (b) the Bonds are to be sold only to institutional investors for investment. The purchase price of the Bonds shall be determined by the Chairman or Vice-Chairman and the Executive Director but in no event shall be less than 99% of par plus accrued interest on the Bonds from their date to the date of delivery thereof.

Section 6. Mortgage Loan. The Executive Director of the Authority is hereby authorized to execute a Mortgage Purchase Agreement or a Loan Agreement in substantially the form employed previously for the purchase of mortgage loans as may be appropriate at such time

as she deems desirable at or before the delivery of the Bonds. The Executive Director is hereby authorized to alter any terms in such Agreement or Mortgage Loan to the extent necessary or desirable so long as such modification does not significantly alter the obligations of the Authority thereunder.

Section 7. Preliminary and Final Official Statements. There is hereby authorized the distribution of preliminary and final official statements or other offering documents in connection with the sale of the Bonds. Said official statements shall be in substantially the form heretofore used in connection with the distribution of the Authority's multifamily revenue bonds and such changes, additions, deletions, or modifications as are consistent with the details of the Bonds or as are recommended by the Purchaser and accepted by bond counsel and the staff of the Authority. The Chairman or Vice-Chairman and the Executive Director of the Authority are hereby authorized and directed to take such action as they deem appropriate or as is requested of either of them in connection with the distribution of preliminary or final official statements. The Authority hereby delegates to the Executive Director the power to deem any such Official Statement "Final" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

Section 8. Petition to SFAA. The Executive Director and the General Counsel of the Authority are hereby authorized and directed to prepare and present to the SFAA (i) a petition under Section 1-11-530 of the Code of Laws of South Carolina, 1976, as amended (the "Allocation Act"), for an allocation of private activity bond volume cap under the Allocation Act and Section 146 of the Internal Revenue Code of 1986, as amended (the "Code"), if necessary for the issuance of the Bonds as tax-exempt and (ii) a petition requesting approval of the Bonds by the SFAA as prescribed in Section 6 of the Act, which petitions (together, the "Petition") shall, among other things, set forth the pertinent provisions relating to the Bonds required by the Act or the Allocation Act, as the case may be.

Section 9. Designation of Fiduciaries. The trustee, paying agent, and registrar under any trust indenture to be entered into with respect to the Bonds shall be a corporate trustee as requested by the Sponsor and approved by the Authority.

Section 10. General Authority. The Commissioners of the Authority and its appropriate officers, attorneys, agents, and employees are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual, and complete performance of all the terms, covenants, and purposes contained in the Bonds and this Resolution, and each such Commissioner, officer, attorney, and employee is hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated thereby.

Section 11. Expiration. This resolution, if not renewed, will expire on a date which is twelve (12) months from the date of its adoption by the Bond Committee of the Authority.

Section 12. Miscellaneous. All orders and resolutions or any parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This resolution shall take effect and be in full force from and upon its adoption by the Bond Committee of the Authority.

Section 13. Non-Transferable. This resolution may not be transferred by the Sponsor except to a related party to the Sponsor. No other attempted sale or transfer of this resolution shall be valid or binding upon the Authority.

Section 14. Official Intent. The Sponsor has advised the Authority that it has advanced or will advance its own funds to pay Project costs on a temporary basis pending the issuance of the Bonds, and the Authority has been further advised that such funds do not consist of moneys that were otherwise earmarked or intended to be used by the Borrower to finance Project costs permanently. The Authority hereby declares its intent to reimburse expenditures for Project costs from the proceeds of the Bonds expected to be issued in the maximum amount of not to exceed \$22,000,000 to provide a portion of the financing for the Project. It is the intention of the Authority that this Resolution shall constitute an official intent on the part of the Authority within the meaning of Treasury Regulation Sections 1.142-4(b) and 1.150-2(d). The Authority's reasonable expectations to apply the proceeds of the Bonds to reimburse or directly fund a portion of the costs of the Project are based on the Sponsor's representations regarding the Project, the expected sources of funds for the costs of the Project, and expected pre-development and development costs to be paid prior to the issuance of the Bonds.

**STATE OF SOUTH CAROLINA
COUNTY OF LEXINGTON**

I, the undersigned secretary of the South Carolina State Housing Finance and Development Authority (the "Authority"), do hereby certify that I am the duly qualified and acting Secretary to the Authority and as such further certify that attached hereto is a true and correct copy of the Resolution adopted by the Bond Committee of the Board of Commissioners of the Authority at a meeting duly called and held on the 19th day of May, 2021, at which meeting a quorum was present and acting throughout, and that said Resolution has not been modified, amended, or repealed and is in full force and effect on the date hereof.

I further certify that due notice of a meeting of the Bond Committee of the Board of Commissioners, called to be held in Columbia, South Carolina at _____ on May 19, 2021, was given to all members prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index for this meeting was posted at the times and places required by law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Authority this ____ day of May, 2021.

(SEAL)

**SOUTH CAROLINA STATE HOUSING
FINANCE AND DEVELOPMENT AUTHORITY**

By: _____
Bonita H. Shropshire
Secretary

A RESOLUTION

GRANTING APPROVAL TO THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE BONDS (THE COMMONS AT SULPHUR SPRINGS)

WHEREAS, The South Carolina State Housing Finance and Development Authority Act of 1977 (Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended) (the "Act") provides that, upon the approval of the State Fiscal Accountability Authority (the "SFAA"), the South Carolina State Housing Finance and Development Authority (the "Authority") may issue from time to time bonds or notes for the purpose of obtaining funds with which to make construction and permanent mortgage loans to housing sponsors who agree to and shall be required to provide for construction and/or rehabilitation of residential housing for rental by persons or families of either beneficiary class (as defined in the Act) (the "Beneficiary Class"); provided, however, that with respect to any particular issue of bonds or notes, one of the following conditions must be met: (a) if there is a public distribution of the bonds or notes, the issue must be rated by one or more of the national rating agencies, and one or more of the following conditions must be met: (i) there must be in effect a federal program providing assistance in repayment of such loans; or (ii) the proceeds must be used to acquire either federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorized to do business in the State of South Carolina; or (iii) the payment of the bonds or notes to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the SFAA; or (b) if the bonds or notes are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security agreement in transactions with banks, institutional buyers, or other nonregistered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina 1976, as amended, the documents pursuant to which the bonds or notes are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the bonds or notes; and

WHEREAS, the Authority has presented to the SFAA its Petition dated May 19, 2021 (the "Petition"), which, together with the schedules thereto attached, sets forth certain information with respect to the Authority's Multifamily Housing Revenue Bonds (The Commons at Sulphur Springs) in the principal amount not to exceed \$22,000,000 (the "Bonds"); and

WHEREAS, the following have been submitted with the Petition in response to the requirements of Section 31-13-220 of the Act, certain of which are pro forma schedules because the Bonds have not been priced or sold as of the date of this Resolution, to wit:

- (i) a pro forma (in lieu of final schedules) of the principal amount of the Bonds to be issued;
- (ii) a pro forma (in lieu of final schedules) of the maturity schedule of the Bonds to be issued;

- (iii) schedules showing the annual debt service requirements on all outstanding notes and bonds of the Housing Authority have previously been provided to the Office of the State Treasurer;
- (iv) schedules showing the amount and source of revenues available for the payment of the debt service requirements established by the schedule referenced in item (iii) have previously been provided to the Office of the State Treasurer;
- (v) the method to be employed in selling the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE FISCAL ACCOUNTABILITY AUTHORITY IN MEETING DULY ASSEMBLED:

Section 1. The SFAA hereby finds and determines that the funds estimated to be available for the repayment of the Authority's notes and bonds on a pro forma basis, including the Bonds, will be sufficient to provide for the payment of the principal and interest thereon. Conditional approval is hereby granted by the SFAA to the execution and delivery by the Authority of the Bonds in the principal amount not to exceed \$22,000,000.

Section 2. The approval of the SFAA is hereby conditioned on the following:

(a) Following the pricing or sale of the Bonds, but prior to closing and issuance of the Bonds, the approval of the State Treasurer of the interest rate or rates on the Bonds and of the form and substance of such documents as he deems necessary therefor;

(b) Following the pricing or sale of the Bonds, but prior to the closing and issuance of the Bonds, the Authority shall have provided to the State Treasurer, to the extent not previously provided, the information required to be submitted to the SFAA by the provisions of Section 31-13-220, to wit:

- (i) the final principal amount of the Bonds to be issued;
- (ii) the final maturity schedule of the Bonds to be issued;
- (iii) schedules showing the annual debt service requirements on all outstanding notes and bonds of the Authority;
- (iv) schedules showing the final amount and source of revenues available for the payment of the debt service requirements established by the schedule referenced in item (iii);
- (v) the method to be employed in selling the Bonds.

(c) Following the pricing or sale of the Bonds, but prior to the closing and issuance of the Bonds, the State Treasurer shall find and determine, based solely on his review of the documents described in clauses (i) through (v) above, that the funds estimated to be available for the repayment of the Authority's notes and bonds, including the Bond, will be sufficient to provide for the payment of the principal and interest thereon;

(d) The documents pursuant to which the Bonds are being issued shall provide that all expenses, costs, and fees of the Authority in connection with the issuance of the Bonds,

including legal fees, printing, and all disbursements shall be paid by the Housing Sponsor (as defined in the Petition); and

(e) The final approval by the Governor as the elected official of the State of South Carolina for purposes of Section 142(f) of the Internal Revenue Code of 1986, as amended.

Section 3. This Resolution shall take effect immediately upon its adoption.

A RESOLUTION

MAKING PROVISION FOR THE ISSUANCE OF NOT TO EXCEED [\$22,000,000] AGGREGATE PRINCIPAL AMOUNT OF MULTIFAMILY HOUSING REVENUE BONDS (THE COMMONS AT SULPHUR SPRINGS), BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY FOR THE PURPOSE OF PROVIDING CONSTRUCTION AND PERMANENT MORTGAGE LOAN FINANCING FOR A MULTIFAMILY RENTAL HOUSING FACILITY, AND OTHER MATTERS RELATED THERETO.

WHEREAS, the South Carolina State Housing Finance and Development Authority Act of 1977 (Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended) (the "Act"), provides that the South Carolina State Housing Finance and Development Authority (the "Authority"), upon making a determination that sufficient persons or families of either beneficiary class (as defined by the Act) (the "Beneficiary Classes") are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing, and that through the exercise of one or more of the programs authorized by the Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need thereof and that a series of bonds must be sold in order to alleviate the lack of decent, safe, and sanitary housing available to members of the Beneficiary Class; and

WHEREAS, upon making such determination and the approval of the State Fiscal Accountability Authority (the "State FAA"), the Authority may issue from time to time bonds or notes for the purpose of obtaining funds with which to make construction and permanent mortgage loans to housing sponsors (as defined in the Act) who agree to and are required to provide for construction or rehabilitation of residential housing (as defined in the Act) for rental by persons or families of either Beneficiary Class; provided, however, that with respect to any particular issue of bonds or notes, one of the following conditions must be met: (a) if there is a public distribution of the bonds or notes, the issue must be rated by one or more of the national rating agencies, and one or more of the following conditions must be met: (i) there must be in effect a federal program providing assistance in repayment of the loans or (ii) the proceeds must be used to acquire either federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorized to do business in the State of South Carolina or (iii) the payment of the bonds or notes to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the State FAA; or (b) if the bonds or notes are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security agreement in transactions with banks, institutional investors, or other nonregistered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina 1976, as amended, and the documents pursuant to which the bonds or notes are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the bonds or notes; and

WHEREAS, DHD Preserve, LLC, a limited liability company duly organized under the laws of the State of South Carolina (the "Housing Sponsor"), has requested the Authority to

assist it in the acquisition and construction of a 180-unit apartment development located in Greenville County, South Carolina, to be known as “The Commons at Sulphur Springs” (the “Project”) by the funding of one or more mortgage loans (the “Mortgage Loan”) through the issuance of its revenue bonds; and

WHEREAS, the Authority proposes to fund the Mortgage Loan to the Housing Sponsor pursuant to the terms of the Financing Agreement (the “Financing Agreement”), among the Authority, the bond trustee, and the Housing Sponsor, from the proceeds of its revenue bonds to be issued in two series to be designated not to exceed [\$22,000,000] South Carolina State Housing Finance and Development Authority, Multifamily Housing Revenue Bonds (The Commons at Sulphur Springs), Series 2021A and South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (The Commons at Sulphur Springs), Series 2021B (collectively, the “Bonds”), with such further series designation as approved by the Executive Director, pursuant to the terms of the Indenture of Trust (the “Indenture”) between the Authority and U.S. Bank National Association, as trustee (or such other corporate trustee as approved by the Authority, the “Trustee”); and

WHEREAS, the Authority on May 20, 2021, adopted its Resolution making preliminary provision for the issuance of the Bonds in the principal amount of not to exceed [\$22,000,000] to provide construction and permanent financing for the Project and authorized a petition to the State FAA seeking its approval of the issuance of the Bonds, and the Authority hereby confirms its findings and determinations regarding the Bonds, the Project, and the Housing Sponsor; and

WHEREAS, the Authority has determined to issue the Bonds in the initial principal amount not to exceed [\$22,000,000] to provide construction and permanent financing for the Project and to qualify the Project for federal and South Carolina Low Income Housing Tax Credits, and has further determined that assisting in the financing of the Project with the proceeds of the Bonds will promote and serve the intended purposes of and in all respects will conform to the provisions and requirements of the Act; and

WHEREAS, the Authority hereby finds and determines that in order to alleviate the lack of decent, safe, and sanitary housing available to individuals of the Beneficiary Classes, the Bonds must be issued; and

WHEREAS, pursuant to the Indenture, the proceeds of the Bonds will be paid to the Trustee for deposit thereunder and used to finance a portion of the costs of acquisition and construction of the Project and the costs of issuance of the Bonds; and

WHEREAS, the Borrower has advised the Authority that the Bonds will be rated by one of the national rating agencies at a level satisfactory to the Authority, and the Indenture provides that (i) prior to the delivery of a Fannie Mae Certificate (“MBS”) by the Federal National Mortgage Association (“Fannie Mae”), payment of the Bonds will be assured and collateralized by the deposit with the Trustee of proceeds received from the sale of the Bonds and other eligible funds held under the Indenture in an amount equal to the outstanding principal amount of the Bonds and interest during the construction period and (ii) upon satisfaction of the conditions set forth in the Indenture and the commitment of Prudential Multifamily Mortgage, LLC, as

permanent lender, the MBS will be issued to the Trustee and debt service on the Bonds will be payable from pass-through payments received by the Trustee on the MBS through the maturity of the Bonds, which funds and guarantee the Authority and the SFAA have determined are sufficient under the Act for a public distribution of the Bonds by the Underwriter (as hereinafter defined); and

WHEREAS, the Financing Agreement will require the Housing Sponsor to operate the Project to ensure the availability of housing to members of the Beneficiary Classes; and

WHEREAS, the Authority will assign substantially all of its rights under the Financing Agreement to the Trustee pursuant to the terms of the Indenture; and

WHEREAS, the Authority hereby finds and confirms that (i) in order to provide the moneys necessary to implement its program, the Bonds must be issued as provided in this resolution, and (ii) the revenues or other moneys estimated to be available pursuant to the Financing Agreement will provide moneys required for the payment of the principal and interest on the Bonds:

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY IN MEETING DULY ASSEMBLED AS FOLLOWS:

Section 1. Adoption of Premises. Each statement of fact, determination, and finding of the Authority set forth in the preamble hereto has been carefully examined and has been found to be in all respects true and correct as of the date hereof.

Section 2. Issuance of Bonds. In order to provide a portion of the moneys required to finance the costs of acquisition and construction of the Project, there is hereby authorized and shall forthwith be issued an issue of revenue bonds to be designated as “South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (The Commons at Sulphur Springs), Series 2021A and South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (The Commons at Sulphur Springs), Series 2021B,” with such other series designations as approved by the Executive Director. The Bonds are intended to be issued as exempt facility bonds for qualified residential rental projects under Section 142(a)(7) of the Internal Revenue Code of 1986, as amended. The Bonds shall be executed on behalf of the Authority by the Chairman or Vice Chairman and the seal of the Authority shall be affixed thereto and attested by the Secretary of the Authority, in substantially the form attached to the Indenture, the form, terms, and conditions of which are hereby approved with such changes, additions, insertions, or modifications as shall be approved by the officers of the Authority executing such Bonds, such approval to be conclusively evidenced by such officers’ execution thereof.

Section 3. Approval of Form of Indenture. The Bonds shall be secured by the Indenture to be executed on behalf of the Authority by the Chairman or Vice Chairman and the seal of the Authority shall be affixed thereto and attested by the Secretary of the Authority, the form of which is presented at this meeting and filed with the minutes of this meeting, the form,

terms, and conditions of which are hereby approved with such changes, additions, insertions, or modifications as shall be approved by the officers of the Authority executing the Indenture, their approval to be conclusively evidenced by such officers' execution thereof.

Section 4. Approval of Form of Financing Agreement. The transactions described in the recitals to this Resolution shall be consummated pursuant to the terms of the Financing Agreement to be executed on behalf of the Authority by the Chairman or Vice Chairman and the seal of the Authority shall be affixed thereto and attested by the Secretary of the Authority, the form of which is presented at this meeting and filed with the minutes of this meeting, the form, terms, and conditions of which are hereby approved with such changes, additions, insertions, or modifications as shall be approved by the officers of the Authority executing the Financing Agreement, their approval to be conclusively evidenced by such officers' execution thereof.

Section 5. Sale of Bonds; Bond Purchase Agreement. The Chairman or Vice Chairman of the Authority is hereby authorized to sell the Bonds to Stifel, Nicolaus & Company, Incorporated (or an affiliate thereof) (the "Underwriter"), pursuant to the terms and conditions of a Bond Purchase Agreement (the "Bond Purchase Agreement") to be executed on behalf of the Authority by the Chairman or Vice Chairman or Executive Director. The authority hereby conferred may be exercised so long as the average interest rate on the Bonds does not exceed [___%] per annum, and the final maturity of the Bonds is not later than 45 years after their date of issue. The purchase price of the Bonds shall be as approved by the Chairman or Vice Chairman or Executive Director.

Section 6. Approval of Form of Restrictive Covenants. The Project will be encumbered by restrictive covenants to ensure the Project continuously complies with the requirements of the Act and of the Code pursuant to the Agreement as to Restrictive Covenants between the Authority and the Housing Sponsor (the "Restrictive Covenants") to be executed on behalf of the Authority by the Chairman, the Vice Chairman, or the Executive Director of the Authority, in substantially the form as presented at this meeting with such changes, additions, insertions, or modifications as shall be approved by the officers of the Authority executing said document, their approval to be conclusively evidenced by such officer's execution thereof.

Section 7. General Authority. The Board of Commissioners of the Authority and its appropriate officers, attorneys, agents, and employees are hereby authorized to do all acts and things required of them by this Resolution, the Indenture, the Financing Agreement, the Restrictive Covenants, or the Bond Purchase Agreement, or desirable or consistent with the requirements hereof or thereof for the acquisition and construction of the Project or the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Bonds, this Resolution, the Indenture, the Financing Agreement, the Restrictive Covenants, and the Bond Purchase Agreement, and each such Commissioner, officer, attorney, and employee is hereby authorized and directed to execute and deliver any and all papers, financing statements, reports, forms, certificates, and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereby and thereby, including the execution and delivery of a Federal Tax Agreement and Non-Arbitrage Certificate between the Authority and the Housing Sponsor (the "Regulatory Agreement"), in such form as

is approved by such officers or employees, execution by the said officers or employees being conclusive evidence of their approval.

Section 8. Limited Obligations; No Personal Liability.

(a) The Bonds are not a debt or grant or loan of credit of the State of South Carolina or any other political subdivision of the State. Neither the State nor any political subdivision of the State will be liable for the Bonds, nor shall the Bonds be payable out of any funds other than those revenues of the Authority pledged to the payment of the Bonds under the Indenture.

(b) No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Authority contained in this Resolution, the Indenture, the Financing Agreement, the Restrictive Covenants, the Regulatory Agreement, the Bond Purchase Agreement, or the Bonds, against any member of the Board of Commissioners, or any officer or employee of the Authority, as such, in his or her individual capacity, past, present, or future, either directly or through the Authority, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that this Resolution, the Indenture, the Financing Agreement, the Restrictive Covenants, the Regulatory Agreement, the Bond Purchase Agreement, and the Bonds are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer, or employee as such, past, present, or future, either directly or by reason of any of the obligations, covenants, promises, or agreements, entered into between the Authority and the registered owners or to be implied therefrom as being supplemental hereto or thereto; and that all personal liability of that character against every such member, officer, and employee is, by the adoption of this Resolution and the execution of the Indenture, the Financing Agreement, the Restrictive Covenants, the Regulatory Agreement, the Bond Purchase Agreement, and the Bonds, and as a condition of, and as a part of the consideration for, the adoption of this Resolution and the execution of the Indenture, the Financing Agreement, the Restrictive Covenants, the Regulatory Agreement, the Bond Purchase Agreement, and the Bonds, expressly waived and released. The immunity of the members, officers, and employees, of the Authority under the provision contained in this Section shall survive the termination of this Resolution.

ADOPTED IN MEETING DULY ASSEMBLED this ___ day of _____, 2021.

STATE OF SOUTH CAROLINA

COUNTY OF LEXINGTON

I, the undersigned Secretary of the South Carolina State Housing Finance and Development Authority (the “**Authority**”), **DO HEREBY CERTIFY** that the foregoing is a true, correct, and verbatim copy of a Resolution duly adopted by the Authority at a duly called meeting held on _____, 2021.

WITNESS MY HAND this ____ day of _____, 2021.

Secretary, South Carolina State Housing Finance and
Development Authority

[FORM OF BOND COUNSEL OPINION]

[July __], 2021

Board of Commissioners
South Carolina State Housing
Finance and Development Authority
Columbia, South Carolina

Re: \$[22,000,000] South Carolina State Housing Finance and Development Authority,
Multifamily Housing Revenue Bonds (The Commons at Sulphur Springs), Series
2021

Ladies and Gentlemen:

As bond counsel to DHD Preserve, LLC, a South Carolina limited liability company (the "Housing Sponsor"), we have examined a certified copy of the Transcript of Proceedings and other proofs submitted to us, including the Constitution and Statutes of the State of South Carolina, in relation to the issuance by the South Carolina State Housing Finance and Development Authority (the "Issuer") of its \$_____ Multifamily Housing Revenue Bonds (The Commons at Sulphur Springs), Series 2021A (the "Series A Bonds") and its \$_____ Multifamily Housing Revenue Bonds (The Commons at Sulphur Springs), Series 2021B (the "Series B Bonds," and together with the Series A Bonds, individually or collectively as context may dictate, the "Bonds"). The Bonds are issued pursuant to the provisions of (i) Title 31, Chapters 3 and 13 of the Code of Laws of South Carolina 1976, as amended (the "Act"), (ii) a Financing Agreement, dated as of [July] 1, 2021 (the "Financing Agreement"), among the Issuer, U.S. Bank National Association, and the Housing Sponsor, (iii) an Indenture of Trust, dated as of [July] 1, 2021 (the "Indenture"), between the Issuer and the Trustee, and (iv) a resolution (the "Resolution") adopted by the Board of Commissioners of the Issuer authorising the issuance and sale of the Bonds. Pursuant to the Financing Agreement, the Issuer will make a mortgage loan (the "Mortgage Loan") to the Housing Sponsor to be used to provide financing for the acquisition and construction of a multifamily rental housing development (the "Project") described in the Financing Agreement. Pursuant to the Financing Agreement, the Housing Sponsor has agreed to make the payments to or on behalf of the Issuer sufficient to pay, in the aggregate, the principal of, premium, if any, and interest on the

Bonds, as well as other payments, property, and revenues pledged to the payment thereof under the Indenture (the "Trust Estate").

The Project is subject to an Agreement as to Restrictive Covenants, dated as of [July] 1, 2021 (the "Regulatory Agreement"), between the Housing Sponsor and the Issuer, and the Federal Tax Agreement and Non-Arbitrage Certificate, dated the date hereof (the "Tax Agreement"), between the Housing Sponsor and the Issuer. The Financing Agreement, the Indenture, the Regulatory Agreement, and the Tax Agreement contain covenants that include requirements regarding the application and investment of the proceeds of the sale of the Bonds, the use and occupancy of the residential units of the Project, and the rebate of certain investment proceeds to the United States government.

With respect to the power of the Housing Sponsor to enter into and perform its obligations under the Financing Agreement and the other documents to which it is party, the due authorisation, execution, and delivery of the Financing Agreement and the other documents by the Housing Sponsor, and the validity and enforceability thereof against the Housing Sponsor, we refer you to the opinion of _____ as counsel to the Housing Sponsor of even date herewith addressed to you.

As to questions of fact material to our opinion, we have relied upon representations of and compliance with covenants by the Housing Sponsor and the Issuer contained in the Financing Agreement, the Indenture, the Regulatory Agreement, the Tax Agreement, certificates of public officials furnished to us, and certificates of representatives of the Housing Sponsor, the Issuer, and other parties, in each case, without undertaking any independent verification, although nothing has come to our attention to lead us to believe we are not justified in so relying. We have assumed that all signatures on documents, certificates, and instruments examined by us are genuine; all documents, certificates, and instruments submitted to us as originals are authentic; and all documents, certificates, and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates, and instruments relating to this financing have been duly authorised, executed, and delivered by all parties thereto other than the Issuer, and we have further assumed the due organisation, existence, and powers of such other parties other than the Issuer.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Preliminary Official Statement, the Official Statement or any other offering material relating to the Bonds and we express no opinion relating thereto.

Based on the foregoing, as of the date hereof we are of the opinion, under existing law, as follows:

1. The Issuer is validly existing as a body corporate and politic under the laws of the State of South Carolina with the corporate power to enter into and perform its obligations under the Financing Agreement and the Indenture and to issue the Bonds.

2. The Financing Agreement and the Indenture have been duly authorised, executed, and delivered by the Issuer, and (assuming due authorisation, execution, and delivery thereof by the other parties thereto) as the valid and binding agreements of the Issuer enforceable against the Issuer in accordance with their respective terms.

3. The Resolution has been duly adopted and the Bonds have been duly authorised and executed by the Issuer, and are valid and binding limited obligations of the Issuer, payable solely from the Trust Estate. The Bonds are not general obligations or an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation, and do not constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit, but is payable solely from the Trust Estate.

4. Interest on the Bonds is exempt from South Carolina income taxation; and (a) interest on the Bonds is excludable from gross income for federal income tax purposes, except for interest on any Bonds for any period during which such Bonds are held by a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and (b) is not a specific preference item for purposes of the federal alternative minimum tax. Furthermore, it should be Bonds that Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in South Carolina a fee or franchise tax computed on the entire net income of such bank, which includes interest on the Bonds. The opinion set forth in this paragraph is subject to the condition that the Issuer and the Housing Sponsor comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal and South Carolina income tax purposes. Failure to comply with certain of the requirements could cause the interest on the Bonds to be so included in gross income retroactively to the date of issuance of the Bonds. The Issuer and the Housing Sponsor have covenanted to comply with all such requirements.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds, the Indenture and the Financing Agreement are limited by bankruptcy, insolvency, reorganisation, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity. Certain indemnity provisions may be unenforceable pursuant to court decisions invalidating such indemnity agreements on grounds of public policy.

Board of Commissioners
South Carolina State Housing Finance
and Development Authority
[July __], 2021
Page 4

We express no opinion regarding the perfection or priority of the lien on the Trust Estate.

Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning, or disposing of the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds, which may include original issue premium, purchase at market discount or at a premium, taxation upon sale, redemption, or other disposition, and various withholding requirements.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Our services as Bond Counsel have been limited to rendering the foregoing opinions based on our review of such legal proceedings as we deem necessary to make the statements contained in this letter with respect to the validity of the Bonds and the tax-exempt status of the interest on the Bonds. We have not examined any documents or other information concerning the business or financial resources of the Issuer or the Housing Sponsor, and we express no opinion as to the accuracy or completeness of any information with respect to the Issuer or the Housing Sponsor that may have been relied upon by the purchaser of the Bonds in making its decision to purchase the Bonds.

We have examined the executed Bond No. R-1 of the issue and, in our opinion, it is in due form of law.

Very truly yours,

HOWELL LINKOUS & NETTLES, LLC
Bond Attorneys & Counsellors at Law

The Lining House
106 Broad Street
Charleston, South Carolina 29401

Post Office Box 1768
Charleston, South Carolina 29402

Telephone 843.266.3800
Fax 843.266.3805

Concentrating in Municipal Bonds,
Local Government Law, Economic
Development Incentives,
Affordable Housing Development

May 19, 2021

State Fiscal Accountability Authority
Columbia, South Carolina

Not to Exceed \$22,000,000
South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Bonds (The Commons at Sulphur Springs), Series 2021

Ladies and Gentlemen:

We are acting as bond counsel in connection with the proposed issuance by the South Carolina State Housing Finance and Development Authority (the "Issuer"), of the referenced Bonds (the "Bonds"). At your request, we are delivering this opinion in connection with the Issuer's Petition ("Petition") to the State Fiscal Accountability Authority ("SFAA"), to receive the SFAA's approval of the issuance of the Bonds pursuant to Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended (the "Act"), to enable the Issuer to make a mortgage loan (the "Mortgage Loan") to DHD Preserve, LLC (the "Housing Sponsor") to be used to provide construction and permanent financing for a multifamily rental housing development (the "Project").

In that capacity, we have examined originals or copies of the Petition and the Preliminary Bond Resolution adopted by the Board of Commissioners of the Issuer (the "Resolution"), and the forms of the Financing Agreement and the Indenture of Trust (collectively with the Resolution and the Petition, the "Transaction Documents"), and other schedules, documents, certificates, and correspondence as we have deemed necessary for purposes of giving this opinion.

In rendering the opinion expressed below, we have relied solely on our examination of the Transaction Documents. We have not made any investigation as to any factual matter or as to the accuracy or completeness of any representation, warranty, data, or any other information, whether written or oral, that may have been made by or on behalf of the Issuer, the SFAA, DHD Preserve, LLC, or the other parties to the Transaction Documents. Further, in rendering the

opinion expressed below, we do not purport to be experts in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State of South Carolina, and the opinions are limited to the federal laws of the United States of America and the laws of the State of South Carolina.

Based on the stated examination and assumptions, and subject to the stated qualifications and limitations, we are of the opinion, under existing law, that the Transaction Documents comply with all requirements of the Act and are legally sufficient and contain all required findings by the respective authorities to authorize the SFAA to approve the Bonds.

Except as set forth above, we express no opinion in connection with the issuance and sale of the Bonds. The opinion expressed above is rendered solely for your benefit in considering the approval of the issuance of the Bonds under the Act. The opinion may neither be relied on by you for any other purpose nor be furnished to, used, circulated, quoted, or relied on by any other person or entity for any other purpose, without our prior written consent in each instance. We disclaim any obligation to update the opinion expressed above for events occurring or coming to our attention after the date of this letter.

Very truly yours,

HOWELL LINKOUS & NETTLES, LLC



Samuel W. Howell



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) / Multifamily Housing - Initial Form

SFAA Approval Date: 06/29/21

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issner: South Carolina State Housing Finance Development Authority Series: 2021 A & B
 Borrower (if not Issuer): DHD Preserve, LLC
 Bond Caption: SCSFHDA, Multifamily Housing Revenue Bonds, The Commons at Sulphur Springs
 Bond Resolution Amount: \$22,000,000 Est. Production/Par Amt: \$22,000,000

(* Used to calculate initial CDI percentages; 81 - 8B)

Final Production/Par Amt: \$0

Submitted By:

ENTITY: DHD Preserve, LLC
 BY: Drew Schaumber
 ITS: Managing Member
 Tel: 202-905-7722
 Email: drew@schaumberdevelopment.com

Transaction Type/Method of Sale:

Public Offering: Competitive: _____ Negotiated: x
 Direct Placement: Competitive: _____ Negotiated: _____
 Governmental Loan/Governmental Purchaser
 Other: _____

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): Y

MSRB (EMMA) Continuing Disclosure Responsible Party: DHD Preserve, LLC

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: The Commons at Sulphur Springs
 Project Address/Location: 526 Sulphur Springs Road, Greenville, SC Amount: \$22,000,000
 Project Type: New Construction Multifamily- 60%AMI family County: Greenville
 Projected Avg Interest Rate: 2.00% Final Maturity: 12/01/42
 Projected Cost per Unit: \$206,222 LIHTC/SCTC: \$23,318,922

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bds	Est. Yield of Refunding Bids	Est NPV Svgs. (\$)	Est NPV Svgs. (% of Ref. Bds)
		\$			\$	
		\$			\$	
		\$			\$	
Total		\$	*****	*****	\$	

4. FINANCING WORKING GROUP

Financial Advisor: none Disclosure Counsel: Tiber Hudson
 Bond Counsel: Howell, Linkous & Nettles Issuer's Counsel: Tracey Easton, Esq.
 Underwriter: Stifel Nicolaus & Co. Trustee: US Bank
 Paying Agent: US Bank Other: RBC (syndicator)

5. FINANCING/PROJECT DESCRIPTION: (Briefly, explain the multifamily development project, the justification for the SC Housing Tax Credit, the anticipated costs, & the basis for these cost estimates if needed, please attach supplemental page for this)

This Project is a new construction of a 180-unit multifamily housing development for families in Greenville County, South Carolina. The property will consist of 45 one-bedroom units, 69 two-bedrooms units, 51 three-bedroom units and 15 four bedroom units on approximately 39.9 acres. The community is located in the Berea submarket of Greenville off Sulphur Springs Road. Conveniently located directly off a public transit line and within walking distance of the main greenway trail system in the area, The Commons meets the locational goals of the County's affordable housing targeting plan and would serve a great need for new affordable housing units in the county. A 42(m) letter and preliminary letter confirming the Project qualifies for the tax credits has been issued by South Carolina State Housing Finance and Development Authority. South Carolina State Housing Finance Development Authority serves as the issuer of the bonds, and permanent financing would be provided through a Fannie Mae MTEB loan originated by Prudential.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Authority Approval:	<u>05/19/21</u>	
JBRC Approval:	<u>N/A</u>	
SFAA Approval:	<u>06/29/21</u>	

Project Approvals - Phase II (State Entities Only)		Notes:
SCHFDA Approval:	<u>00/00/00</u>	
JBRC Approval:	<u>00/00/00</u>	
SFAA Approval:	<u>00/00/00</u>	

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

- a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy)
- b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?
- c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected.

	Yes	No
		X
		X
Sq. Footage -		
Cost Estimate -		

	Bond Proceeds	FY:	Spend Down Schedule Notes
Est. Expenditures - Through 6 Months	\$ 11,798,245	12/31/2022	Construction
Est. Expenditures - Through 24 Months	\$ 10,201,755	12/31/2023	Construction
Est. Expenditures - Through 48 Months	\$ -		
- Estimated Expenditures: Thru FY:	\$ 22,000,000		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES: A Construction Financing / B. Permanent Financing

Sources	A. Est. Project Budget / Construction (Sources)	B. Est. Project Budget / Permanent (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par (b) Premium/Accr. Int.	\$ 22,000,000	\$ -	\$ 762,182	Project Fund Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$ -	\$ -	\$ -	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$ -	\$ -	\$ 1,688,102	Financing Costs
(4) Debt Service Reserve Fund Contribution	\$ -	\$ -	\$ 546,302	Cost of Issuance (Incl. UW Disc.)
(5) Other MFHRB Sources			\$ 1,279,344	Other (Contingency)
(a) LJHTC		\$ 14,680,481	\$ 3,000,000	Developer Fee
(a) State Housing TC		\$ 8,638,441	\$ 765,000	Reserves
(c) Owner's Equity/Other		\$ -	\$ 1,400,000	Acquisition
(d) Mortgage Loan (BTO)	\$ -	\$ 13,801,000	\$ 25,782,964	Construction
Total Project Sources	\$ 22,000,000	\$ 37,119,922	\$ 37,119,922	Total Project Uses
Surplus/Deficit		\$ -		

9. TOTAL ESTIMATED BOND COI EXPENDITURES = 8A + 8B (Added COI entities beyond the following need an attached descr**

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor					\$ -	\$ -
Bond Counsel	Howell, Linkous & Nettles			\$ 95,000	\$ 95,000	\$ 95,000
Disclosure Counsel				\$ -	\$ -	\$ -
Issuer's Counsel	SCSFHDA			\$ -	\$ -	\$ -
Underwriter's Counsel	Tiber Hudson			\$ 60,000	\$ 60,000	\$ 60,000
Transaction Counsel	Trustee Counsel			\$ 6,000	\$ 6,000	\$ 6,000
Legal Expenses				\$ -	\$ -	\$ -
Rating Agency - S&P				\$ -	\$ -	\$ -
Rating Agency - Moody's	Moody's			\$ 16,500	\$ 16,500	\$ 16,500
Rating Agency - Fitch				\$ -	\$ -	\$ -
Underwriter's Compensation	Stiefel			\$ 179,702	\$ 179,702	\$ 179,702
Registrar / Paying Agent	U.S. Bank NA			\$ 500	\$ 500	\$ 500
Escrow Agent	U.S. Bank NA			\$ 8,500	\$ 8,500	\$ 8,500
Accountant				\$ -	\$ -	\$ -
Verification Agent	Causy			\$ 2,500	\$ 2,500	\$ 2,500
Printing/Publishing/Advertising				\$ -	\$ -	\$ -
Issuer's Fee	Authority Fees			\$ 177,600	\$ 177,600	\$ 177,600
				\$ 546,302	\$ 546,302	\$ 546,302

Est. Actual COI Fees (% of Transaction)

- Financial Advisor: % of Transaction
- Bond Counsel: % of Transaction
- Total Legal Costs: % of Transaction
- Rating Agencies: % of Transaction

0.00%	#DIV/0!
0.43%	#DIV/0!
0.73%	#DIV/0!
0.08%	#DIV/0!

- UW Comp: % of Transaction
- Other COI: % of Transaction
- Total COI: % of Transaction

0.82%	#DIV/0!
0.86%	#DIV/0!
2.48%	#DIV/0!

Agenda Item 14(C)

Revenue Bonds – State Housing Finance and
Development Authority

Villages at Congaree Pointe



Emily S. Luther
Partner
t: 803.253.6841
f: 803.255.8017
emilyluther@parkerpoe.com

Atlanta, GA
Charleston, SC
Charlotte, NC
Columbia, SC
Greenville, SC
Raleigh, NC
Spartanburg, SC
Washington, DC

May 20, 2021

VIA EMAIL

Delbert H. Singleton, Jr.
Assistant Executive Director and Authority Secretary
S.C. State Fiscal Accountability Authority
1200 Senate Street, Suite 600
Columbia, South Carolina 29201

Re:

Not Exceeding \$37,000,000
South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Bonds
(Villages at Congaree Pointe Project)
Series 2021

Dear Delbert:

The South Carolina State Housing Finance and Development Authority ("Authority") proposes to issue its Multifamily Housing Revenue Bonds (Villages at Congaree Pointe Project) Series 2021 ("Bonds") in an aggregate principal amount of not exceeding \$37,000,000. On behalf of the Authority, I am writing to request approval of the Bonds by the State Fiscal Accountability Authority ("SFAA") at its meeting scheduled for June 29, 2021. I have enclosed the following documents in support of this request:

1. Completed SFAA transmittal form;
2. A Preliminary Resolution adopted by the Board of Commissioners of the Authority on May 19, 2021;
3. A form of the Petition of the Authority to the SFAA¹;
4. A form of the approving Resolution to be considered for adoption by the SFAA on June 29, 2021;
5. A form of a Notice of Action;
6. A form of bond counsel's opinion letter; and
7. Private Participant Disclosure Forms.

¹ The executed copy of the Petition will be provided as a supplement to this request on receipt from the Authority.

C.

Delbert H. Singleton, Jr.
May 20, 2021
Page 2

A New Debt Information Form with respect to the Bonds will be submitted to the Office of the State Treasurer under separate cover, and I will provide you with a copy.

The Authority anticipates that it will use the proceeds of the Bonds to make a mortgage loan to Congaree Pointe, LP, a South Carolina limited partnership ("Sponsor"), for the acquisition, construction and equipping of an approximately 240-unit multifamily affordable housing development located in the City of Columbia, Richland County, South Carolina ("Development"). The Development will be known as the Villages at Congaree Pointe.

In the Petition, the Authority has requested the SFAA delegate to the State Treasurer the power to grant, on behalf of the SFAA, the final approval for the issuance of the Bonds following receipt by the State Treasurer of information with respect to the final details of the Bonds (including the size, date, maturity schedule, and repayment provisions), the annual debt service requirements of the Authority on all of its outstanding bonds and notes, and the method to be employed in selling the Bonds. Pursuant to Section 31-13-220 of the Act, this information will be provided to the State Treasurer, as the designee of the SFAA, prior to the issuance of the Note.

Finally, the Authority and the Sponsor have enclosed with this submission, or will supplement this submission with, certain preliminary schedules for consideration by the SFAA showing (A) the current annual debt service requirements on all outstanding notes and bonds of the Authority, and (B) the expected amount and source of revenues available for the payment of the debt service requirements of the Bonds.

Thank you for your assistance. Please do not hesitate to contact me if you have any questions or need any additional information.

Sincerely,



Emily S. Luther

Enclosures: stated

cc via email w/encs: Tracey Easton, General Counsel; Director of Legal & Human Resources
Kevin Kibler, Senior Assistant State Treasurer
Robert Macdonald, Assistant State Treasurer
Laurie Fuller, Office of the Executive Director, SFAA

BOND TRANSMITTAL FORM

TO: Delbert H. Singleton, Jr., Authority Secretary
State Fiscal Accountability Authority
600 Wade Hampton Building (29201)
P.O. Box 12444
Columbia, SC 29211

DATE: 5/20/2021

Submitted for SFAA Meeting on:
6/29/2021

FROM: Congaree Pointe, LP

c/o Parker Poe Adams & Bernstein LLP
1221 Main Street, Suite 1100
Columbia, SC 29201

RE: South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Villages at Congaree Pointe Project) Series 2021

Project Issue Date: 9/1/2021

Project Name: Villages at Congaree Pointe

Project Description: The South Carolina State Housing and Finance and Development Authority (“Housing Authority”), has proposed to issue its Multifamily Housing Revenue Bonds (Villages at Congaree Pointe) Series 2021 (“Bonds”), in the aggregate principal amount of not exceeding \$37,000,000 for the purpose of funding a mortgage loan to Congaree Pointe, LP, a South Carolina limited partnership (the “Sponsor”), to provide a portion of the financing needed for the acquisition, construction, and equipping of an approximately 240-unit multifamily affordable housing development located in Richland County, South Carolina, known as Villages at Congaree Pointe (the “Project”). The Project is new construction and will consist of ten garden-style apartment buildings and two nonresidential buildings, including a clubhouse. The Project will offer approximately 60 one bedroom units, 144 two bedroom units, and 36 three bedroom units.

Employment as a result of the project: N/A

	YES	NO	AMOUNT
Ceiling Allocation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ 37,000,000
Refunding Involved	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.
Project Approved Previously	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

- A. Petition
- B. Resolution or Ordinance
- C. Inducement Resolution or comparable preliminary approval
- D. Department of Health and Environmental Control Certificate *if required*
- E. State Fiscal Accountability Authority Resolution and Public Notice *(original)*
Plus _____ copies for certification and return to bond counsel

F. Draft bond counsel opinion letter

G. Processing Fee

Amount: Click or tap here to enter text.

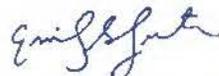
Check No: Click or tap here to enter text.

Payor: Click or tap here to enter text.

H. No Private Participant will be known at the time the Authority considers this agenda item.

J. This agenda item is accompanied by the applicable Private Party Disclosure form for each private participant.

Bond Counsel: Emily S. Luther
Typed Name of Bond Counsel

By: 
Signature

SFAA 06/19/2020

A RESOLUTION

MAKING PRELIMINARY PROVISION FOR THE ISSUANCE OF NOT EXCEEDING \$37,000,000 AGGREGATE PRINCIPAL AMOUNT OF MULTIFAMILY HOUSING REVENUE BONDS (VILLAGES AT CONGAREE POINTE PROJECT) OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY AND OTHER MATTERS RELATED THERETO.

WHEREAS, pursuant to the South Carolina State Housing Finance and Development Authority Act of 1977, Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977 (codified at Sections 31-13-10 to 31-13-340, inclusive, of the Code of Laws of South Carolina 1976), as amended, (the "**Act**"), the South Carolina State Housing Finance and Development Authority (the "**Authority**"), hereby determines that sufficient persons or families of either beneficiary class (as defined by the Act) (the "**Beneficiary Classes**") are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing and that through the exercise of one or more of the programs authorized by the Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need therefore;

WHEREAS, on the making of such determination, the Authority may issue bonds or notes, subject to the conditions set forth in the Act, for the purpose of, among other things, obtaining funds to make (1) construction or rehabilitation loans secured by mortgages of housing sponsors; and (2) permanent mortgage loans to housing sponsors who agree to and shall be required to provide construction or rehabilitation of residential housing for rental or purchase by the Beneficiary Classes;

WHEREAS, prior to issuing its bonds or notes, the Authority must obtain the approval of the South Carolina State Fiscal Accountability Authority (the "**State Board**"); and

WHEREAS, Congaree Pointe, LP, a limited partnership duly organized under the laws of the State of South Carolina (the "**Sponsor**"), has applied to and requested the Authority to assist the Sponsor by issuing the Authority's bonds to be known as Multifamily Housing Revenue Bonds (Villages at Congaree Pointe Project) in one or more series, taxable or tax-exempt, in the aggregate principal amount of not exceeding \$37,000,000 for the purpose of making a loan (the "**Mortgage Loan**") to the Sponsor for the acquisition, construction and equipping of a 240-unit apartment development located in the Richland County, South Carolina, to be known as Villages at Congaree Pointe (the "**Project**").

NOW, THEREFORE, BE IT RESOLVED BY THE BOND COMMITTEE OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY IN MEETING DULY ASSEMBLED:

Section 1. Adoption of Premises. Each statement of fact set forth in the preamble hereto has been carefully examined and has been found to be in all respects true and correct.

Section 2. Undertakings of the Authority. In the event the Sponsor meets the requirements set forth herein and in the Act and in order to provide the moneys required to finance the Mortgage Loan, to establish the necessary reserve funds and to pay the costs and expenses incurred in connection therewith, the Authority will undertake to issue its bonds, on a taxable or tax-exempt basis, to be designated as "South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Villages at Congaree Pointe Project)" (with any appropriate series or subseries designations) in the aggregate principal amount of not exceeding \$37,000,000 (the "**Bonds**").

Any obligation of the Authority hereunder is subject to (a) the requirements that (i) the Project shall have received such approvals as are required under the Act, if any, (ii) the Authority approve the

items which may be included in any required charges (rent plus any other mandatory payments) to occupants of the Project, and (iii) the Bonds be approved by the State Board; and (b) the right of the Authority in its sole discretion, to rescind this Resolution and to elect not to issue such Bonds at some future date.

Section 3. Obligation of Sponsor. If the Project proceeds as contemplated, the Sponsor agrees as follows:

(a) to make its Project available for occupancy by persons in the Beneficiary Classes for such period and subject to such conditions as the Authority may determine;

(b) to provide such security for any of its obligations or mortgages to the Authority, or of the obligations of any other person to the Authority, as the Authority may, in its sole discretion request which such security may include federal mortgage insurance or federal agreements to make payments adequate to pay amounts due by such Sponsor or such other person;

(c) to enter into a mortgage loan agreements with respect to its Project or amendments to its existing mortgage loan documents with respect to its Project, if any, on such terms and conditions as the Authority may deem necessary or desirable;

(d) to pay all costs and expenses incurred by the Authority, including its reasonable counsel fees, in furtherance of the undertakings of the Authority hereunder, regardless of whether any bonds or notes are issued with respect to its Project;

(e) to provide the Authority with such information and material with respect to its Project, including financial statements and information, reports, tests, surveys, appraisals, plans, specifications, drawings, occupancy rates or rent rolls, studies or feasibility studies, legal opinions, descriptions, and access for inspection of its Project or any other such items as may be requested by the Authority; and

(f) to enter into such agreements including such disclosure agreements as may be required to meet the requirements of Rule 15c2-12(b)(5) promulgated by the U.S. Securities and Exchange Commission, execute such documents and provide such proofs or evidence as the Authority may, in its sole discretion, request in connection with its undertakings hereunder.

Section 4. Termination. The Authority or the Sponsor may elect not to proceed with the issuance of the Bonds. The Authority shall not be obligated hereby to the Sponsor or any other person by virtue of the adoption of this resolution. Neither the Sponsor nor any other person shall have any rights hereunder and the Authority shall not be liable in any way to the Sponsor or any other person for any decision it makes not to proceed hereunder regardless of any action taken by the Sponsor or such other person whether known or unknown to the Authority.

Section 5. Sale of Bonds; Purchase Contract. The Chairman and the Executive Director of the Authority are hereby authorized to sell the Bonds to a purchaser to be designated by the Executive Director (the "**Purchaser**") pursuant to the terms and conditions of a term sheet, purchase contract or funding agreement which shall contain the terms and conditions employed by the Authority with respect to the Authority for the sale of its notes and bonds or as are approved by the Executive Director on receipt of advice from counsel to the Authority. The authority hereby conferred may be exercised as long as the interest rate of the Bonds does not exceed the limitations or contravene the conditions as described in the Act and (i) the Bonds are rated in one of the three highest rating categories (without regard to subcategories) by either Moody's Investors Services, Inc. or S&P Global Ratings or (ii) the Bonds are to be purchased directly for investment. The purchase price of the Bonds shall be determined by the Chairman and the Executive Director but in no event shall be less than 97.5 % of par plus accrued interest on the Bonds from its date to the date of delivery thereof.

Section 6. No Waiver of Existing Rights of Authority. Notwithstanding anything herein to the contrary, nothing in this resolution shall be construed as a waiver of any default under an existing mortgage loan or a modification of any rights of the Authority, and no such waiver or modification shall be effected except by the express written agreement of the Authority delivered subsequent to the date hereof.

Section 7. Petition to State Board. The Chairman, the Executive Director, counsel to the Authority, or any of them, working with bond counsel are authorized and directed to prepare and present to the State Board the request prescribed by Section 31-13-220 of the Act, the form of which has been provided to the Authority, that among other things, sets forth the pertinent terms and provisions relating to the Bonds, determined as provided in this Resolution, and the outstanding bonds and notes of the Authority.

Section 8. Designation of Fiduciaries. The Chairman and the Executive Director are hereby authorized and directed to designate the Trustee and any paying agent and registrar under the financing documents to be entered into with respect to the Bonds.

Section 9. General Authority. The Commissioners of the Authority and its appropriate officers, attorneys, agents, and employees are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual, and complete performance of all the terms, covenants, and purposes contained in the Bonds and this Resolution, and each such Commissioner, officer, attorney, and employee is hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated thereby.

Section 10. Expiration. This Resolution, if not renewed, will expire on a date which is twelve (12) months from the date of its adoption by the Bond Committee.

Section 11. Miscellaneous. All orders and resolutions or any parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This Resolution shall take effect and be in full force from and upon its adoption by the Bond Committee.

Section 12. Non-Transferable. This Resolution may not be transferred by the Sponsor. No attempted sale or other transfer of this Resolution shall be valid or binding upon the Authority.

STATE OF SOUTH CAROLINA

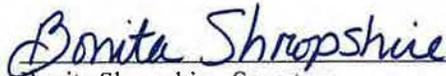
COUNTY OF LEXINGTON

I, the undersigned Secretary of the Board of Commissioners (the "*Board of Commissioners*") of the South Carolina State Housing Finance and Development Authority (the "*Authority*") do hereby certify that I am the duly qualified and acting Secretary to the Board of Commissioners and as such further certify that attached hereto is a true and correct copy of the Resolution adopted by the Bond Committee of the Board of Commissioners of the Authority at a meeting duly called and held on the 19th day of May 2021, at which meeting a quorum was present and acting throughout, and that said Resolution has not been modified, amended, or repealed and is in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Authority this _____ day of May 2021.

**SOUTH CAROLINA STATE HOUSING FINANCE
AND DEVELOPMENT AUTHORITY**

By:



Bonita Shropshire, Secretary
Board of Commissioners

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PETITION

TO THE STATE FISCAL ACCOUNTABILITY)
AUTHORITY OF SOUTH CAROLINA)
_____)

VILLAGES AT
CONGAREE POINTE
PROJECT

The South Carolina State Housing Finance and Development Authority (the "**Authority**") submits this petition to the State Fiscal Accountability Authority of South Carolina (the "**SFAA**") pursuant to the South Carolina State Housing Finance and Development Authority Act of 1977, Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977, as amended (the "**Act**") and respectfully shows:

1. The Act, among other things, provides that whenever the Authority has determined by resolution that sufficient persons and families of either beneficiary class (as defined in the Act) (the "**Beneficiary Classes**") are unable to pay the amounts at which private enterprise is providing decent, safe and sanitary housing and that through the exercise of one or more of the programs authorized by the Act, decent, safe and sanitary housing will become available to members of the Beneficiary Classes in need therefore, then, on receipt of approval from the SFAA, the Authority is authorized, subject to the conditions set forth in the Act, to issue from time to time its notes and bonds for the purpose of, among other things, obtaining funds with which to make (a) construction loans secured by mortgages of housing sponsors (as defined in the Act), or of persons or families of the Beneficiary Classes; and (b) permanent mortgage loans to housing sponsors who agree to and are required to provide for construction or rehabilitation of residential housing (as defined in the Act) for rental by persons or families the Beneficiary Classes;

2. Congaree Pointe, LP (the "**Sponsor**"), has applied to and requested the Authority to assist the Sponsor by issuing the Authority's bonds, anticipated to be designated as Multifamily Housing Revenue Bonds (Villages at Congaree Pointe Project), in one or more taxable or tax-exempt series ("**Bonds**"), in the aggregate principal amount of not exceeding \$37,000,000 for the acquisition, construction and equipping of an approximately 240-unit multifamily development located in the City of Columbia, Richland County, South Carolina, to be known as the Villages at Congaree Pointe (the "**Project**").

3. The Authority has preliminarily approved the issuance of the Bonds pursuant to a resolution adopted on May 19, 2021, to provide funds to make a mortgage loan to the Sponsor for the acquisition, construction and equipping of the Project, to establish the necessary reserve funds and to pay the costs and expenses incurred in connection with the issuance of the Bonds.

4. The Authority will adopt a final resolution (the "**Resolution**") authorizing the issuance and sale of the Bonds and establishing the definitive terms thereof, including those revenues and assets to be pledged to the payment of the Bonds. The Authority will take steps necessary to comply with the requirements of Section 142 of the Internal Revenue Code of 1986, as amended.

5. The net interest rate to be borne by the Bonds has not been determined. The interest rate will not exceed the limitations or contravene the conditions described in the Act.

6. The trustee for the issue and the size, date, maturity schedule, payment dates and repayment provisions with respect to the Bonds shall be finally determined prior to the date the

Bonds are issued. As soon as these matters are finally determined, a precise schedule thereof shall be presented to the SFAA or its designee as provided by the Act.

7. The Authority requests that the SFAA delegate to the State Treasurer the ability to approve the interest rate on the Bonds and to grant on behalf of the SFAA final approval for the issuance of the Bonds. Prior to the issuance of the Bonds, the Authority shall have provided to the State Treasurer, to the extent not previously provided herein or otherwise, the information required to be submitted to the SFAA by the provisions of Section 31-13-220, to wit:

- (a) the principal amount of the Bonds to be issued;
- (b) the maturity schedule of the Bonds to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said notes;
- (e) the method to be employed in selling the Bonds.

8. The Bonds will be a limited a special obligation of the Authority secured by and payable solely from monies, income and receipts of the Authority pledged under the Resolution with respect thereto.

9. A schedule showing the annual debt service requirements of all outstanding bonds and notes of the Authority and source of revenues available for the payment of such debt service requirements has previously been provided to the SFAA.

10. The Authority will produce any further information with respect to the Bonds required by the SFAA.

[Remainder of page intentionally left blank. Signature page follows.]

WHEREFORE, on the basis of the foregoing, the Authority prays preliminary approval by the SFAA of the issuance of the Bonds in the aggregate principal amount set forth above for the purpose of financing the acquisition, rehabilitation and equipping of the Project, establishing necessary reserve funds, and and paying the costs and expenses incurred in connection with the issuance of the Bonds.

Respectfully submitted,

**SOUTH CAROLINA STATE HOUSING
FINANCE AND DEVELOPMENT
AUTHORITY**

Tracey C. Easton
General Counsel

May ____, 2021

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE BONDS (VILLAGES AT CONGAREE POINTE PROJECT) SERIES 2021

WHEREAS, it is provided by the South Carolina State Housing Finance and Development Authority Act of 1977, as amended (the "Act"), that, upon approval of the State Fiscal Accountability Authority of South Carolina (the "SFAA"), the South Carolina State Housing Finance and Development Authority (the "Authority") may issue from time to time bonds or notes for the purpose of obtaining funds with which to make (1) construction or rehabilitation loans secured by mortgages of housing sponsors; and (2) permanent mortgage loans to housing sponsors who agree to and shall be required to provide construction or rehabilitation of residential housing for rental to persons or families of either Beneficiary Class, as defined in the Act; however, with respect to any particular issue of notes or bonds, one of the following conditions must be met: (a) if there is a public distribution of the notes or bonds, the issue must be rated by one or more of the national rating agencies, and one or more of the additional following conditions must be met: (i) there must be in effect a Federal program providing assistance in repayment of such loans; (ii) the proceeds must be used to acquire either Federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorized to do business in the State of South Carolina; (iii) the payment of the notes or bonds to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the SFAA; or (b) if the notes or bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security agreement in transactions with banks, institutional investors, or to other non-registered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina, 1976, as amended, the documents pursuant to which the notes or bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its right with respect to any collateral or security pledged to secure the notes or bonds; and

WHEREAS, Congaree Pointe, LP, a South Carolina limited partnership (the "Sponsor"), has requested the Authority to assist it in an undertaking to acquire, construct and equip a multifamily affordable housing development, consisting of approximately 240 units, located in the City of Columbia, Richland County, South Carolina (the "Project"); and

WHEREAS, in order to provide money to acquire, construct and equip the Project, the Authority proposes to issue its revenue bonds to be known as South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Villages at Congaree Pointe Project) Series 2021 in an aggregate principal amount of not exceeding \$37,000,000 (the "Bonds"); and

WHEREAS, the Authority has presented to the SFAA its Petition (the "Petition"), which sets forth certain information with respect to the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE FISCAL ACCOUNTABILITY AUTHORITY IN MEETING DULY ASSEMBLED:

Section 1. Approval is granted to the undertaking of the Authority as outlined in the Petition.

Section 2. Subject to the conditions set forth in Section 3, approval is hereby granted by the SFAA to the execution and delivery by the Authority of its Bonds to be designated as the South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Villages at

Congaree Pointe Project), or such other designation as the Board of Commissioners of the Authority may determine, in the principal amount of not exceeding \$37,000,000.

Section 3. The approval of the SFAA is conditioned on the following:

(a) The Authority shall have provided to the State Treasurer, to the extent not previously provided herein or otherwise, the final information required to be submitted to the SFAA by the provisions of Section 31-3-220, to wit:

- (i) the principal amount of the Bonds to be issued;
- (ii) the maturity schedule of the Bonds to be issued;
- (iii) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (iv) a schedule showing the amount and source of revenues available for the payment of debt service on the notes and bonds referenced in item (iii); and
- (v) the method to be employed in selling the Bonds;

(b) The approval of the State Treasurer of the form and substance of the Bonds and of such documents as he deems necessary therefore;

(c) The State Treasurer shall find and determine that the funds estimated to be available for the repayment of the Authority's notes and bonds, including the Bonds, will be sufficient to provide for the payment of the principal and interest thereon;

(d) The documents pursuant to which the Bonds are being issued shall provide that all expenses, costs, and fees of the Authority in connection with the issuance of the Bonds, including legal fees, printing, and all disbursements shall be paid by the Sponsor; and

(e) To the extent required, the final approval by the Governor as the elected official of the State of South Carolina for purposes of Section 142(f) of the Internal Revenue Code of 1986, as amended.

Section 4. This Resolution shall take effect immediately upon its adoption.



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) / Multifamily Housing - Initial Form

SFAA Approval Date: 06/29/21

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: S.C. State Housing Finance and Development Authority Series: Series 2021
 Borrower (if not Issuer): Congaree Pointe, LP
 Bond Caption: Multifamily Housing Revenue Bonds (Villages at Congaree Pointe Project) Series 2021
 Bond Resolution Amount: \$37,000,000 Est. Production/Par Amt: \$34,000,000

(* Used to calculate initial COI percentages: 8A - 8B)

Final Production/Par Amt: \$0

Submitted By:

ENTITY: Congaree Pointe, LP
 BY: Parker Poe Adams & Bernstein LLP
 ITS: Bond Counsel
 Tel: (803) 253-6867
 Email: Emilyzackon@parkerpoe.com

Transaction Type/Method of Sale:

Public Offering: Competitive: _____ Negotiated: _____
 Direct Placement: Competitive: _____ Negotiated:
 Governmental Loan/Governmental Purchaser
 Other: _____

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): N
 MSRB (EMMA) Continuing Disclosure Responsible Party: _____

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Villages at Congaree Pointe
 Project Address/Location: Atlas Road, Columbia, SC 29209 Amount: \$34,000,000
 Project Type: New Construction Affordable Housing County: Richland
 Projected Avg Interest Rate: 4.37% Final Maturity: 12/31/55
 Projected Cost per Unit: \$182,542 per unit LIHTC/SCTC: \$24,239,249

3. FINANCING (REFUNDED PORTION)

Source of Refunded	Refunded Amount	Principal Refunded	IR or Refunded Tax	IR or Refunded Tax	Est NPV Svc 151	Est NPV Svc 151 % of Ref. Bond
N/A		\$			\$	
		\$			\$	
		\$			\$	
Total		\$	*****	*****	\$	

4. FINANCING WORKING GROUP

Financial Advisor: _____ Disclosure Counsel: _____
 Bond Counsel: Parker Poe Adams & Bernstein LLP Issuer's Counsel: Tracey Easton, Esq.
 Underwriter: _____ Trustee: _____
 Paying Agent: _____ Other: _____

5. FINANCING/PROJECT DESCRIPTION: (Briefly, explain the multifamily development project, the justification for the SC Housing Tax Credit, the anticipated costs, & the basis for these cost estimates if needed, please attach supplemental page for this)

The South Carolina State Housing and Finance and Development Authority ("Housing Authority"), has proposed to issue its Multifamily Housing Revenue Bonds (Villages at Congaree Pointe) Series 2021 ("Bonds"), in the aggregate principal amount of not exceeding \$33,000,000 for the purpose of funding a mortgage loan to Congaree Pointe, LP, a South Carolina limited partnership (the Borrower to provide a portion of the financing needed for the acquisition, construction, and equipping of an approximately 240-unit multifamily affordable housing development located in Richland County, South Carolina, known as Villages at Congaree Pointe (the "Project"). The Project is new construction and will consist of ten garden-style apartment buildings and two nonresidential buildings, including a clubhouse. The Project will offer approximately 60 one bedroom units, 144 two bedroom units, and 36 three bedroom units. In addition to the Bonds, the Sponsor intends to finance a portion of the Project using State and Federal Low Income Housing Tax Credits. The State Tax Credits will allow the Sponsor to provide more units and amenities than would otherwise be possible without the provision of State Tax Credits. Without the State Tax Credits, the Borrower would need to reduce the scope of the construction in order to retain affordability.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Authority Approval:	08/18/21	Anticipated Final
JBRC Approval:	00/00/00	
SFAA Approval:	06/29/21	

Project Approval - Initial Form		Notes:
SCHFDA Approval:	00/00/00	
JBRC Approval:	00/00/00	
SFAA Approval:	00/00/00	

C.

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

- a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy)
- b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?
- c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected.

Yes	No
X	
	X
Sq. Footage -	Entire Project
Cost Estimate -	

Est. Expenditures - Through 6 Months
 Est. Expenditures - Through 24 Months
 Est. Expenditures - Through 48 Months
 - Estimated Expenditures: Thru FY:

Bond Proceeds	COI	Spend Down Schedule Sources
\$ 4,518,000	3/31/2022	Acquisition, and Predevelopment
\$ 29,482,000	9/30/2023	Construction
\$ -		
\$ 34,000,000		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES: A Construction Financing / B. Permanent Financing

Sources	A. Est. Project Budget / Construction (Sources)	B. Est. Project Budget / Permanent (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par (b) Premium/Accr. Int.	\$ 34,000,000	\$ -	\$ 33,290,380	Project Fund
(2) Issuer/Borrower Contr.	\$ -	\$ -	\$ 1,185,190	Capitalized Interest Fund
(3) Debt Service Fund Trans.	\$ -	\$ -	\$ -	Debt Service Reserve Fund
(4) Debt Service Reserve Fund Contribution	\$ -	\$ -	\$ -	Redemption Price/Escrow Deposit
(5) Other MFHRB Sources			\$ 1,728,826	Cost of Issuance (Incl. UW Disc.)
(a) LIHTC		\$ 16,433,389	\$ 1,808,824	Other (Contingency)
(a) State Housing TC		\$ 7,805,860	\$ 3,000,000	Developer Fee
(c) Grant		\$ 500,000	\$ 989,541	Reserves
(d) Mortgage Loan (BTO)	\$ -	\$ 19,070,844	\$ 950,000	Acquisition
			\$ -	Renovation
			\$ 857,332	Third party reports/soft costs
Total Project Sources	\$ 34,000,000	\$ 43,810,093	\$ 43,810,093	Total Project Uses
Surplus/Deficit		\$ -		

9. TOTAL ESTIMATED BOND COI EXPENDITURES = 8A + 8B (Added COI entities beyond the following need an attached descr**

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor					\$ -	\$ -
Bond Counsel				\$ 125,000	\$ -	\$ 125,000
LIHTC/Purchaser Counsel				\$ 125,000	\$ -	\$ 125,000
Issuer's Counsel				\$ 25,000	\$ -	\$ 25,000
Trustee's Counsel				\$ 75,000	\$ -	\$ 75,000
Transaction Counsel				\$ 125,000	\$ -	\$ 125,000
Legal Expenses				\$ 94,031	\$ -	\$ 94,031
Rating Agency - S&P				\$ -	\$ -	\$ -
Rating Agency - Moody's				\$ -	\$ -	\$ -
Rating Agency - Fitch				\$ -	\$ -	\$ -
Underwriter's Compensation				\$ -	\$ -	\$ -
Registrar/Paying Agent				\$ -	\$ -	\$ -
Escrow Agent				\$ -	\$ -	\$ -
Loan Fees				\$ 381,417	\$ -	\$ 381,417
Freddie Mac Fees				\$ 505,378	\$ -	\$ 505,378
LIHTC Fees				\$ 18,000	\$ -	\$ 18,000
Issuer's Fee	Authority Fees			\$ 255,000	\$ -	\$ 255,000
				\$ 1,728,826	\$ -	\$ 1,728,826

Est. / Actual COI Fees (% of Transaction):

- Financial Advisor: % of Transaction
- Bond Counsel: % of Transaction
- Total Legal Costs: % of Transaction
- Rating Agencies: % of Transaction

0.00%	#DIV/0!
0.37%	#DIV/0!
1.67%	#DIV/0!
0.00%	#DIV/0!

- UW Comp: % of Transaction
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STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF June 29, 2021

ITEM NUMBER 15

AGENCY: State Fiscal Accountability Authority

SUBJECT: Future Meeting

The next regular meeting of the State Fiscal Accountability Authority will be held at 10:00 a.m. on Tuesday, August 24, 2021, in Room 252, Edgar A. Brown Building.

AUTHORITY ACTION REQUESTED:

Agree to meet at 10:00 a.m. on Tuesday, August 24, 2021, in Room 252, Edgar A. Brown Building.

ATTACHMENTS:

AGENCY: South Carolina Department of Corrections

SUBJECT: Legal Settlement of Litigation Related to the Lee Correctional Institution Riot

Pursuant to S.C. Laws Ann. Section 11-1-45, the South Carolina Department of Correction requests Authority approval to settle litigation related to the April 15, 2018, Lee Correctional Institution riot. The riot resulted in numerous injured inmates and seven deaths. To date, eighty-one (81) lawsuits relating to the riot have been filed by inmates, or on behalf of inmates, in state and federal court. The total settlement amount for all cases is \$6,000,000.

AUTHORITY ACTION REQUESTED:

Approve the settlement as requested by the South Carolina Department of Corrections.

ATTACHMENTS: