

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, June 30, 2020 – 10:00 A. M.

Room 252, Edgar A. Brown Building

AGENDA INDEX

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
A.	MEETING OF STATE EDUCATIONAL FACILITIES AUTHORITY	
B.	MEETING OF STATE FISCAL ACCOUNTABILITY AUTHORITY	
C.	ADOPTION OF PROPOSED AGENDA	
D.	MINUTES OF PREVIOUS MEETING	
E.	REGULAR SESSION	
1.	State Treasurer's Office	Bond Counsel Selection
2.	Department of Administration, Executive Budget Office	Permanent Improvement Projects
3.	Department of Administration, Facilities Management and Property Services	Easement
4.	State of South Carolina State Transportation Infrastructure Bank	Issuance and Sale of Not Exceeding \$11,000,000 General Obligation State Transportation Infrastructure Refunding Bonds, Series 2020A
5.	Department of Administration, Facilities Management and Property Services	SC Commission on Higher Education Lease at 1122 Lady Street, Columbia, SC
6.	Department of Administration, Facilities Management and Property Services	MUSC Lease-Out to Green and Healthy, Inc., 0.34393 acres, a Portion of Peninsula of Charleston, SC, general bounded by Lockwood Drive, Alberta Long Lake, Bee Street, Rutledge Avenue and Calhoun Street
7.	Department of Administration, Facilities Management and Property Services	Clemson University Lease of 1 Research Drive, Greenville, SC
8.	Department of Administration, Facilities Management and Property Services	Clemson University Lease of 934 Old Clemson Highway

STATE FISCAL ACCOUNTABILITY AUTHORITY
Meeting of Tuesday, June 30, 2020 -- 10:00 A.M.
Room 252, Edgar A. Brown Building

REGULAR SESSION AGENDA INDEX -- Page 2

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
9.	Executive Director	Revenue Bonds
10.	Executive Director	Future Meeting

STATE EDUCATIONAL FACILITIES AUTHORITY

Meeting of June 30, 2020 -- 10:00 A. M.

Room 252, Edgar A. Brown Building

REGULAR SESSION AGENDA INDEX

Item No.	Agency	Subject
A.	ADOPTION OF PROPOSED AGENDA	
B.	REGULAR SESSION	
1.	Educational Facilities Authority	Amendment to Bond Purchase and Loan Agreement Dated as of December 1, 2010, among the Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning, Spartanburg Methodist College, and Branch Banking and Trust Company, now known as Truist Bank, related to an Adjustment to the Interest Rate and put date related to its \$7,000,000 Educational Facilities Revenue Bond (Spartanburg Methodist College) Series 2010
C.	ADJOURNMENT	

AGENCY: Spartanburg Methodist College

SUBJECT: Amendment to Bond Purchase and Loan Agreement Dated as of December 1, 2010, among the Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning, Spartanburg Methodist College, and Branch Banking and Trust Company, now known as Truist Bank) related to an Adjustment to the Interest Rate and put date related to its \$7,000,000 Educational Facilities Revenue Bond (Spartanburg Methodist College) Series 2010

The Authority is asked to adopt a resolution amending the Bond Purchase and Loan Agreement dated as of December 1, 2010, among the Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning, Spartanburg Methodist College, and Branch Banking and Trust Company (now known as Truist Bank) related to an adjustment to the interest rate and put date related to its \$7,000,000 Educational Facilities Revenue Bond (Spartanburg Methodist College) Series 2010.

AUTHORITY ACTION REQUESTED:

Adopt a resolution amending the Bond Purchase and Loan Agreement dated as of December 1, 2010, among the Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning, Spartanburg Methodist College, and Branch Banking and Trust Company (now known as Truist Bank) related to an adjustment to the interest rate and put date related to its \$7,000,000 Educational Facilities Revenue Bond (Spartanburg Methodist College) Series 2010.

ATTACHMENTS:

Authority Resolution; NDIF

RESOLUTION

OF THE EDUCATIONAL FACILITIES AUTHORITY FOR PRIVATE NONPROFIT INSTITUTIONS OF HIGHER LEARNING AUTHORIZING AN AMENDMENT TO THE BOND PURCHASE AND LOAN AGREEMENT DATED AS OF DECEMBER 1, 2010 AMONG THE EDUCATIONAL FACILITIES AUTHORITY FOR PRIVATE NONPROFIT INSTITUTIONS OF HIGHER LEARNING, SPARTANBURG METHODIST COLLEGE AND BRANCH BANKING AND TRUST COMPANY (NOW KNOWN AS TRUIST BANK) RELATED TO AN ADJUSTMENT TO THE INTEREST RATE AND PUT DATE RELATED TO ITS \$7,000,000 EDUCATIONAL FACILITIES REVENUE BOND (SPARTANBURG METHODIST COLLEGE) SERIES 2010; AND OTHER MATTERS RELATED THERETO.

WHEREAS, the Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning (the "*Authority*") issued its \$7,000,000 original principal amount Educational Facilities Revenue Bond (Spartanburg Methodist College) Series 2010 (the "*Bond*") pursuant to a Bond Purchase and Loan Agreement dated as of December 1, 2010 (the "*Agreement*") among the Authority, Spartanburg Methodist College (the "*Institution*") and Branch Banking and Trust Company (now known as Truist Bank); and

WHEREAS, Truist Bank (the "*Bank*"), as the holder of the Bond, and the Institution have requested certain amendments to the Agreement and the Bond to adjust the interest rate, incorporate LIBOR replacement provisions, and establish a new put date which can be exercised by the Bank;

NOW, THEREFORE, BE IT RESOLVED by the State Fiscal Accountability Authority in its capacity as the Educational Facilities Authority of Private Nonprofit Institutions of Higher Learning:

Section 1. The Authority hereby approves the Second Amendment to Bond Purchase and Loan Agreement, among the Authority, the Institution and the Bank (the "*Second Amendment*") and amendment to the Bond, each in substantially the forms attached hereto with such changes as may be approved by the State Treasurer, such execution by the State Treasurer being conclusive approval of such documents.

Section 2. The State Treasurer or his designee is authorized to execute any certificates, agreements, or filings necessary to effect the execution and delivery of the Second Amendment and conforming amendments to the Bond.

Done in meeting duly assembled this 30th day of June, 2020.

EDUCATIONAL FACILITIES AUTHORITY
FOR PRIVATE NONPROFIT INSTITUTIONS
OF HIGHER LEARNING
Delbert H. Singleton, Jr., Secretary

EXHIBIT A-1

SECOND AMENDMENT TO BOND PURCHASE AND LOAN AGREEMENT

Dated as of _____, 2020

Section 1. The following definitions found in Section 1 of the Bond Purchase and Loan Agreement dated as of December 1, 2010, as amended (the "*Agreement*"), among the Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning, Spartanburg Methodist College and Branch Banking and Trust Company (now known as Truist Bank) are hereby amended and restated as follows:

"Adjusted LIBOR Rate" shall mean a rate of interest per annum equal to the sum obtained (rounded upwards, if necessary, to the next higher 1/100th of 1.0%), by adding (i) 79%% of one-month LIBOR plus (ii) 1.58% per annum. The foregoing shall be adjusted monthly on the first day of each month for each LIBOR Interest Period. If the first day of any month falls on a date which is not a Business Day, the Adjusted LIBOR Rate shall be determined as of the last preceding Business Day. The Adjusted LIBOR Rate shall be adjusted for any change in the LIBOR Reserve Percentage so that the Bondholder shall receive the same yield.

"Default Rate" means the greater of (i) a fluctuating interest rate equal to 2.00% per annum above the Prime Rate in effect from time to time and (ii) 6.00% per annum.

"LIBOR" means the average rate quoted by Bloomberg Finance L.P., or any quoting service or commonly available source utilized by Bondholder, on the determination date for deposits in U. S. Dollars offered in the London interbank market for one month determined at approximately 11:00 am London time two (2) Business Days prior to the commencement of the applicable Interest Period; provided that if said rate as provided above would be less than 0%, then LIBOR shall be deemed to be 0%.

"Prime Rate" means the interest rate announced by the Bondholder from time to time as its prime rate. Any change in the Prime Rate shall be effective as of the date such change is announced by the Bondholder.

"Standard Rate" means, for any day, the rate of interest per annum equal to the lesser of (i) the Federal Funds Rate plus 1.00% and (ii) the Prime Rate, provided that in no event will the Standard Rate ever be less than 0%. Each change in the Standard Rate shall be effective on the date any change in the Prime Rate is publicly announced as being effective, if applicable.

"Taxable Adjusted LIBOR Rate" means the rate of interest per annum equal to the sum obtained by adding (i) LIBOR plus (ii) the Spread, which shall be adjusted monthly on the first day of each Interest Period. The Adjusted LIBOR Rate shall apply to the entire principal balance outstanding for any Interest Period. The Adjusted LIBOR Rate shall be adjusted for any change in the Reserve Percentage so that Bondholder shall receive the same yield.

Section 2. The following terms are hereby added to Section 1 of the Agreement:

"Benchmark Replacement" means the sum of: (a) the alternate benchmark rate (which may include, without limitation, Term SOFR or a rate established from a weighted average of rates over a particular time period) as agreed upon by College and Bondholder, giving due

consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body, or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to LIBOR for U.S. dollar-denominated syndicated or bilateral credit facilities, and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero.

“Benchmark Replacement Adjustment” means, with respect to any replacement of LIBOR with an Unadjusted Benchmark Replacement for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been agreed upon by College and Bondholder giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body, and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with the applicable Unadjusted Benchmark Replacement for similar U.S. dollar-denominated syndicated or bilateral credit facilities at such time.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes that Bondholder decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by Bondholder in a manner substantially consistent with market practice (or, if Bondholder decides that adoption of any portion of such market practice is not administratively feasible or if Bondholder determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as Bondholder decides is reasonably necessary in connection with the administration of the Bond).

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to LIBOR:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of LIBOR permanently or indefinitely ceases to provide LIBOR; or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to LIBOR:

(a) a public statement or publication of information by or on behalf of the administrator of LIBOR announcing that such administrator has ceased or will cease to provide LIBOR, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide LIBOR;

(b) a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for LIBOR, a resolution authority with jurisdiction over the

administrator for LIBOR or a court or an entity with similar insolvency or resolution authority over the administrator for LIBOR, which states that the administrator of LIBOR has ceased or will cease to provide LIBOR permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide LIBOR; or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR announcing that LIBOR is no longer representative.

“Benchmark Unavailability Period” means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR and solely to the extent that LIBOR has not been replaced with a Benchmark Replacement in accordance with Section 10(e) hereof, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced LIBOR for all purposes hereunder in accordance with Section 10(e) hereof and (y) ending at the time that a Benchmark Replacement has replaced LIBOR for all purposes hereunder pursuant to Section 10(e) hereof.

“Early Opt-in Election” means the occurrence of:

(a) a determination by the Bondholder that U.S. dollar-denominated syndicated or bilateral bank-originated loans being executed at such time contain a new benchmark interest rate to replace LIBOR, and

(b) the election by Bondholder to declare that an Early Opt-in Election has occurred and the provision by Bondholder of notice of such election to College.

“Federal Funds Rate” shall mean, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to the Bondholder.

“Federal Reserve Bank of New York’s Website” means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.

“Interest Period” means the period commencing on the first day of each month and ending on the day that is immediately prior to the numerically corresponding day of each subsequent month; provided that: (a) any Interest Period which would otherwise end on a day which is not a Business Day shall be extended to the next succeeding Business Day; (b) any Interest Period which begins on a day for which there is no numerically corresponding day in a subsequent period, shall end on the last Business Day of each subsequent period and (c) the first Interest Period shall commence on the date the Bond is first issued and end on the last day of the month in which the Bond is issued.

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

“Reserve Percentage” means the maximum aggregate rate at which reserves (including, without limitation, any marginal supplemental or emergency reserves) are required to be maintained under Regulation D by member banks of the Federal Reserve System with respect to dollar funding in the London interbank market. Without limiting the effect of the foregoing, the Reserve Percentage shall reflect any other reserves required to be maintained by such member banks by reason of any applicable regulatory change against (i) any category of liability which includes deposits by reference to which the LIBOR is to be determined or (ii) any category of extensions of credit or other assets related to LIBOR.

“SOFR” with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York’s Website.

“Spread” means (i) while the Bond accrues interest at the Adjusted LIBOR Rate, 1.58% per annum, and (ii) while the Bond accrues interest at the Taxable Adjusted LIBOR Rate, 2% per annum.

“Term SOFR” means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

Section 3. Section 10(e) of the Agreement is hereby amended and restated in its entirety as follows:

In the event Bondholder determines in its sole discretion on a particular date (the **“Determination Date”**) that Bondholder cannot make, fund, or maintain a loan based upon LIBOR (provided a Benchmark Transition Event has not occurred) or the Benchmark Replacement, as applicable, for any reason, including without limitation illegality or the inability to ascertain or determine said rate on the basis provided for herein, then Bondholder shall give notice to the College of such determination and thereafter will have no obligation to make, fund or maintain a loan based on such index. Upon such Determination Date, the reference to “LIBOR” in the definitions of “Adjusted LIBOR Rate” and “Taxable Adjusted LIBOR Rate” shall be deemed and interpreted to mean the “Standard Rate” for purposes of any fundings or advances requested by the College and shall apply to any outstanding balance and, thereafter, the interest rate on the Bond shall adjust simultaneously with any fluctuation in the Standard Rate. In the event Bondholder determines that the circumstances giving rise to a notice pursuant to this Section have ended, the Bondholder shall provide notice of same at which time the interest rate will revert to the prior rate based upon LIBOR (provided a Benchmark Transition Event has not occurred) or the Benchmark Replacement, as applicable, plus the Spread.

Notwithstanding anything to the contrary in the Bond or in any other Bond Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, Bondholder shall provide notice as provided in this Section 10(e) below and may request an amendment to the Bond to replace LIBOR with a Benchmark Replacement. Upon such request by the Bondholder, the Bondholder, the Issuer and the College shall negotiate in good faith to determine whether a replacement of LIBOR is appropriate and may amend the Bond to replace LIBOR with a Benchmark Replacement; provided, however that (A) such amendment shall not be effective unless there shall have been delivered to the Bondholder and College an opinion of Bond Counsel acceptable to the Bondholder to the effect that such amendment will not cause the

interest on the Bond to be included in the gross income of the owner of the Bond for federal income tax purposes and (B) (1) following notice of a Benchmark Transition Event in accordance with this Section, until any such amendment becomes effective, the reference to “LIBOR” in the definitions of “Adjusted LIBOR Rate” and “Taxable Adjusted LIBOR Rate” shall be deemed and interpreted to mean the “Standard Rate” and (2) following notice of an Early Opt-in Election in accordance with this Section 10(e) below, until such amendment becomes effective or a Benchmark Transition Event occurs, the reference rate in the definition of Adjusted LIBOR Rate shall continue to be “LIBOR”.

Bondholder will have the right to make Benchmark Replacement Conforming Changes necessary to implement a Benchmark Replacement made effective by an amendment pursuant to Section 10(e) hereof.

Bondholder will promptly notify College¹ of (A) any occurrence of a Benchmark Transition Event, and its related Benchmark Replacement Date, or an Early Opt-in Election, as applicable, and (B) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by Bondholder pursuant to this Section 10(e), including the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in Bondholder’s sole discretion and without consent of College, except, in each case, as expressly required pursuant to the terms set forth herein.

Upon College’s receipt of notice of the commencement of a Benchmark Unavailability Period, the obligation of Bondholder to make any advance based upon LIBOR shall cease, and College may revoke any request for such an advance to be made during any Benchmark Unavailability Period, and the reference to “LIBOR” in the definitions of “Adjusted LIBOR Rate” and “Taxable Adjusted LIBOR Rate” shall be deemed and interpreted to mean the “Standard Rate”.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed in their respective names, all as of the date first above written.

**EDUCATIONAL FACILITIES AUTHORITY FOR
PRIVATE NONPROFIT INSTITUTIONS OF
HIGHER LEARNING**

By _____
Curtis Loftis
State Treasurer on behalf of the Authority

[SEAL]

ATTEST:

Delbert H. Singleton, Jr.
Secretary

SPARTANBURG METHODIST COLLEGE

By _____
Title _____

By _____
Name _____
Title _____

TRUIST BANK, as Bondholder

By _____
Name: _____
Title _____

EXHIBIT A-2

AMENDMENT TO BOND

Dated _____, 2020

The \$7,000,000 Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning Variable Rate Educational Facilities Revenue Bond (Spartanburg Methodist College Project) Series 2010 is amended as follows:

Section 1. The definition of Adjusted LIBOR Rate found in the tenth paragraph of the Bond shall be amended and restated as follows:

“Adjusted LIBOR Rate” shall mean a rate of interest per annum equal to the sum obtained (rounded upwards, if necessary, to the next higher 1/100th of 1.0%), by adding (i) 79% of one-month LIBOR plus (ii) 1.58% per annum. The foregoing shall be adjusted monthly on the first day of each month for each LIBOR Interest Period. If the first day of any month falls on a date which is not a Business Day, the Adjusted LIBOR Rate shall be determined as of the last preceding Business Day. The Adjusted LIBOR Rate shall be adjusted for any change in the LIBOR Reserve Percentage so that the Bondholder shall receive the same yield.

Section 2. The eighth paragraph of the Bond shall be amended and restated as follows:

In the event Bondholder determines in its sole discretion on a particular date (the *“Determination Date”*) that Bondholder cannot make, fund, or maintain a loan based upon LIBOR (provided a Benchmark Transition Event has not occurred) or the Benchmark Replacement, as applicable, for any reason, including without limitation illegality or the inability to ascertain or determine said rate on the basis provided for herein, then Bondholder shall give notice to the College of such determination and thereafter will have no obligation to make, fund or maintain a loan based on such index. Upon such Determination Date, the reference to “LIBOR” in the definitions of “Adjusted LIBOR Rate” and “Taxable Adjusted LIBOR Rate” shall be deemed and interpreted to mean the “Standard Rate” for purposes of any fundings or advances requested by College and shall apply to any outstanding balance and, thereafter, the interest rate on the Bond shall adjust simultaneously with any fluctuation in the Standard Rate. In the event Bondholder determines that the circumstances giving rise to a notice pursuant to this paragraph have ended, the Bondholder shall provide notice of same at which time the interest rate will revert to the prior rate based upon LIBOR (provided a Benchmark Transition Event has not occurred) or the Benchmark Replacement, as applicable, plus the Spread.

Section 3. The twelfth paragraph of the Bond shall be amended and restated as follows:

Notwithstanding anything herein or any other Financing Document to the contrary, the Bondholder shall have the right to tender this Bond, for required purchase by the College, in whole on June 1, 2025, and on any Business Day thereafter (each, a *“Put Date”*) in such manner as provided in the Credit and Guaranty Agreement, at a purchase price equal to 100% of the outstanding principal amount of this Bond plus accrued but unpaid interest to such Put Date, subject to the procedures as provided therein. On any such Put Date designated by the Bondholder (that is not rescinded by the Bondholder), the Authority shall purchase this Bond (exclusively from funds provided by the College) from the Bondholder at such purchase price set forth in the preceding sentence; *provided, however*, that at the College’s option the College may

elect to purchase such Bond directly from the Bondholder on such Put Date (in lieu of purchase by the Authority) at such purchase price by delivering written notice of such election to the Bondholder and the Authority on any Business Day prior to the Put Date, in which event the obligation to purchase this Bond and pay such purchase price to the Bondholder on the Put Date shall constitute the unconditional obligation of the College.

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**EDUCATIONAL FACILITIES AUTHORITY FOR
PRIVATE NONPROFIT INSTITUTIONS OF
HIGHER LEARNING**

(SEAL)

By _____
Curtis Loftis
State Treasurer on behalf of the Authority

ATTEST:

Delbert H. Singleton, Jr.
Secretary

MEETING OF June 30, 2020

ITEM NUMBER 1AGENCY: State Treasurer's OfficeSUBJECT: Bond Counsel Selection

The State Treasurer's Office has provided the following notification of the assignment of bond counsel for conduit issues for which Authority approval is requested:

CONDUIT ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel
\$28,000,000; Economic Development Revenue Bonds; Foundation for Affordable Housing – Atrium Place Apartments; Series 2020 (South Carolina Jobs-Economic Development Authority – “SC JEDA”)	Foundation for Affordable Housing (Atrium Place Apartments) Conduit: SC JEDA	Parker Poe – Ray Jones, Emily Luther, Emily Zackon	Nexsen Pruet – Laurie Becker
\$47,000,000; Economic Development Revenue Bonds; Last Step Recycling, LLC; Series 2020	Last Step Recycling, LLC Conduit: SC JEDA	Parker Poe – Tyler Smith, Ray Jones, Emily Zackon	Pope Flynn – Joe Lucas
\$31,000,000; Economic Development Revenue Bonds; BullStreet Parking, LLC; Series 2020	BullStreet Parking, LLC Conduit: SC JEDA	Haynsworth Sinkler Boyd – Theodore DuBose	Howell Linkous Nettles – Sam Howell, Alan Linkous
\$25,000,000; Multifamily Housing Revenue Bonds; Canebreak Apartments Project; Series 2020 (SC State Housing Finance and Development Authority - “SCSHFDA”)	Standard Canebreak Venture, LP (Canebreak Apartments Project) Conduit: SCSHFDA	Parker Poe – Ray Jones, Emily Luther	Tracey Easton, General Counsel
\$25,000,000; Multifamily Housing Revenue Bonds; Waters at West Ashley Apartments Project; Series 2020	Waters at West Ashley, LP (Waters at West Ashley Apartments Project) Conduit: SCSHFDA	Parker Poe – Ray Jones, Emily Luther	Tracey Easton, General Counsel
\$35,000,000; Multifamily Housing Revenue Bonds; Waters at Oakbrook; Series 2020	Waters at Oakbrook, LP (Waters at Oakbrook Apartments Project) Conduit: SCSHFDA	Parker Poe – Ray Jones, Emily Luther	Tracey Easton, General Counsel
\$7,000,000; Educational Facilities Revenue Bonds; Spartanburg Methodist College; Series 2010 (Educational Facilities Authority - “EFA”)	Spartanburg Methodist College Conduit: EFA	Haynsworth Sinkler Boyd – Kimberly Witherspoon	Howell Linkous Nettles – Sam Howell, Alan Linkous

AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

GENERAL OBLIGATION / REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel
\$11,000,000; General Obligation State Transportation Infrastructure Refunding Bonds; Series 2020	South Carolina Transportation Information Bank ("SCTIB")	Burr Forman McNair -- Rion Foley
\$150,000,000; Mortgage Revenue Bonds; Series 2020B	SC State Housing Finance and Development Authority	Burr Forman McNair -- Rion Foley

AUTHORITY ACTION REQUESTED:

Approve the referenced bond counsel assignment as recommended by the State Treasurer's Office.

ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

The State Treasurer advises the State Fiscal Accountability Authority, for informational purposes, of the firms selected and approved for its June 30, 2020 meeting:

CONDUIT ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$28,000,000; Economic Development Revenue Bonds; Foundation for Affordable Housing -- Atrium Place Apartments; Series 2020 (South Carolina Jobs-Economic Development Authority -- "SC JEDA")	Foundation for Affordable Housing (Atrium Place Apartments) Conduit: SC JEDA	Parker Poe -- Ray Jones, Emily Luther, Emily Zackon	Nexsen Pruet -- Laurie Becker	05/20/2020
\$47,000,000; Economic Development Revenue Bonds; Last Step Recycling, LLC; Series 2020	Last Step Recycling, LLC Conduit: SC JEDA	Parker Poe -- Tyler Smith, Ray Jones, Emily Zackon	Pope Flynn -- Joe Lucas	05/20/2020
\$31,000,000; Economic Development Revenue Bonds; BullStreet Parking, LLC; Series 2020	BullStreet Parking, LLC Conduit: SC JEDA	Haynsworth Sinkler Boyd -- Theodore DuBose	Howell Linkous Nettles -- Sam Howell, Alan Linkous	05/26/2020
\$25,000,000; Multifamily Housing Revenue Bonds; Canebreak Apartments Project; Series 2020 (SC State Housing Finance and Development Authority - "SCSHFDA")	Standard Canebreak Venture, LP (Canebreak Apartments Project) Conduit: SCSHFDA	Parker Poe -- Ray Jones, Emily Luther	Tracey Easton, General Counsel	06/01/2020
\$25,000,000; Multifamily Housing Revenue Bonds; Waters at West Ashley Apartments Project; Series 2020	Waters at West Ashley, LP (Waters at West Ashley Apartments Project) Conduit: SCSHFDA	Parker Poe -- Ray Jones, Emily Luther	Tracey Easton, General Counsel	06/01/2020
\$35,000,000; Multifamily Housing Revenue Bonds; Waters at Oakbrook; Series 2020	Waters at Oakbrook, LP (Waters at Oakbrook Apartments Project) Conduit: SCSHFDA	Parker Poe -- Ray Jones, Emily Luther	Tracey Easton, General Counsel	06/01/2020
\$7,000,000; Educational Facilities Revenue Bonds; Spartanburg Methodist College; Series 2010 (Educational Facilities Authority - "EFA")	Spartanburg Methodist College Conduit: EFA	Haynsworth Sinkler Boyd -- Kimberly Witherspoon	Howell Linkous Nettles -- Sam Howell, Alan Linkous	06/01/2020

GENERAL OBLIGATION / REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved
\$11,000,000; General Obligation State Transportation Infrastructure Refunding Bonds; Series 2020	South Carolina Transportation Information Bank ("SCTIB")	Burr Forman McNair -- Rion Foley	04/14/2020
\$150,000,000; Mortgage Revenue Bonds; Series 2020B	SC State Housing Finance and Development Authority	Burr Forman McNair -- Rion Foley	06/01/2020

SPECIAL ASSIGNMENT OF BOND COUNSEL:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved

MEETING OF June 30, 2020

ITEM NUMBER 2, Page 1AGENCY: Department of Administration, Executive Budget OfficeSUBJECT: Permanent Improvement Projects

State Fiscal Accountability Authority approval is requested for the following permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee:

- (a) **Project:** JBRC Item 1. Clemson University
H12.9947: CU-ICAR Campbell Graduate Engineering Center Propulsion Lab Upfit
- Request:** Establish Phase I pre-design to upfit approximately 1,500 square feet of laboratory space in the Campbell Graduate Engineering Center to create an Advanced Propulsion System Lab.
- Included in CPIP:** No – The project was not anticipated to be completed at the time of the 2019 CPIP submission because the grant funding did not become available until early 2020.
- CHE Approval:** 3/5/20

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Facilities and Administrative Cost Recoveries				75,000	75,000
All Sources				<u>75,000</u>	<u>75,000</u>

Summary of Work: To upfit laboratory space by removing or replacing existing concrete flooring and installing a new in-floor trenching system for utilities, equipment foundations, fire-rated interior partition walls, blast doors, lighting, power circuitry, HVAC, fire alarm and protection systems, and related work.

Rationale: To create a lab that will support research efforts in the area of vehicular propulsion systems, electrification and entry for transportation.

Facility Characteristics: The Campbell Graduate Engineering Center at the CU-ICAR campus in Greenville is 89,778 square feet and was completed in 2007. (13 years old) The 1,500 square feet to be upfitted for the new Advanced Propulsion System Lab will be utilized by 14 faculty, 4 staff, 20 students and 10 clients.

Financial Impact: The project will be funded from Facilities and Administrative Cost Recoveries, or indirect cost recoveries (uncommitted balance \$8.2 million at January 22, 2020). Revenue to the fund is generated from costs charged to sponsored research activities to cover the overhead, infrastructure and facilities expenses associated with externally funded grants. The primary sources of grant revenues are federally and privately funded research grants. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has increased from \$738 to \$1,005 for the academic years 2014-2015 to 2019-2020 respectively.

Full Project Estimate: \$5,000,000 (internal) funded by Facilities and Administrative Cost Recovery funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Other:

The lab upfit and associated test cell systems are critical to pursuing a major grant that, if awarded, will make Clemson the largest university-run research center of this kind in the country, focusing on alternative energy and propulsion systems for off-road, autonomy-enabled vehicles. The lab will be located in close proximity to existing infrastructure to take advantage of existing power, compressed air, and cooling tower water systems. Extension of these systems into the lab are part of this project.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(b) **Project:** JBRC Item 8. University of South Carolina - Columbia
H27.6135: Colonial Life Arena Roof Replacement and Envelope Maintenance

Request: Establish Phase I pre-design to replace the entire roof membrane, the moisture-damaged portions of the rigid insulation substrate and investigate and repair moisture intrusion that is occurring in the envelope.

Included in CPIP: Yes – 2019 CPIP Priority 14 of 14 in FY20 (estimated at \$2,850,000)
CHE Approval: 3/5/20

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Athletic, Operating				30,000	30,000
All Sources				<u>30,000</u>	<u>30,000</u>

Summary of Work: To replace the entire original 18-year-old thermoplastic polyolefin membrane (TPO) roof on the Colonial Life Arena with a white TPO membrane roof and all associated flashing and coping, which will come with a 20-year warranty. The project will also replace the moisture-damaged portions of the rigid insulation substrate and address moisture intrusion occurring in the envelope at the high clerestory window glazing in the building exterior wall around the concourse.

Rationale: The existing roof has recently become more problematic by allowing water to intrude at membrane joints and where membrane cracking has occurred. The roof warranty has expired, and the roof must be replaced to ensure that leaks do not impact events in the arena.

Facility Characteristics: The Colonial Life Arena is 328,966 square feet and was completed in 2002. (18 years old) The roof is 175,000 gross square feet. The facility is utilized by the Athletics Department and for other non-athletic events and has a seating capacity for 18,000 people.

Financial Impact: The project will be funded from Athletic Operating Funds. (uncommitted balance \$8.2 million at June 30, 2019). Revenue to the fund is generated from Athletic revenues which consist of ticket sales, SEC Conference Distributions, Gamecock Club contributions, seat premiums, corporate sponsorships, gifts and other donations. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$81 per student per semester, and has increased from \$34.50 to \$81 for the academic years 2014-2015 to 2019-2020 respectively.

Full Project Estimate: \$2,850,000 (internal) funded by Facilities and Athletic Operating funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Other:

The existing roof came with a 15-year warranty (November 2002 to November 2017). Leaks have been a concern since 2017 as the roof warranty was expiring. Roof warranties are backed by the manufacturer of the roof systems. In this case, the roof warranty has expired. Nevertheless, the university has been negotiating with the roof manufacturer (Firestone) who purchased the company that manufactured the membrane installed in 2002. Firestone has agreed to provide a replacement TPO membrane at no cost to the university. They anticipate a signed agreement to confirm this offer.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (c) **Project:** JBRC Item 11. Medical University of South Carolina
H51.9852: MUSC Combined Heat and Power Facility
- Request:** Establish Phase I pre-design to the point where a guaranteed maximum price can be obtained to affirm the value for the university to self-generate electricity.
- Included in CPIP:** No – At the time of the 2019 CPIP submission it was believed that the Energy Conservation Measure would not be viable, and the final report came post CPIP submission.
- CHE Approval:** 6/22/20

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional Capital Project				1,500,000	1,500,000
All Sources				<u>1,500,000</u>	<u>1,500,000</u>

- Summary of Work:** As part of its energy conservation program, MUSC has studied the potential benefit of a combined heat and power (or electrical cogeneration) facility for its campus. The facility will have space for expansion to meet campus growth and be built to current hurricane and seismic code.
- Rationale:** Self generating electricity will lessen their dependence on the utility company. Per the university, this will save them energy dollars. Additionally, having a source of electricity during hurricanes and flooding allows the ability to sustain from a risk management standpoint.
- Facility Characteristics:** The new utility building facility to support MUSC campus will be approximately 15,000 square feet. All students, faculty, staff and patients utilize the space that is impacted by the new facility.
- Financial Impact:** The project will be funded from Institutional Capital Project Funds (uncommitted balance \$7 million at April 27, 2020). Revenue to the fund is generated from excess debt service funds and remaining balances from closed projects. The project is expected to result in a decrease of \$1,746,488 (years 1 thru 3) in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$423 per student per semester, and has decreased from \$459 to \$423 for the academic years 2014-2015 to 2019-2020 respectively.
- Full Project Estimate:** \$39,000,000 (internal) funded by Institutional Capital Project and State Master Lease Program Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (d) **Project:** JBRC Item 13. Greenville Technical College
H59.6166: Greenville – New Arts & Sciences Building Construction
- Request:** Establish Phase I pre-design to construct a new multi-story classroom building, approximately 125,000 square feet on the Barton Campus.
- Included in CPIP:** Yes – 2019 CPIP Priority 2 of 3 in FY21 (estimated at \$37,900,000)
CHE Approval: 6/22/20

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Local Plant				990,000	990,000
All Sources				<u>990,000</u>	<u>990,000</u>

- Summary of Work:** The project will construct a new facility to house the Art & Sciences programs, with modern science labs with state-of-the-art safety features, and new instructional technology for chemistry, physics, biology, etc. programs. The building will also have a theater and music center for development of the arts. The project will be designed and constructed to meet two Green Globes certification standards.
- Rationale:** Two of the oldest buildings on the Barton Campus are in poor condition with outdated and inefficient mechanical systems, the electrical systems are at maximum capacity, and space limitations affect the demand for occupancy in classrooms. Additionally, an Academic Master Plan study completed in 2012 identified growth needs and evaluated facility conditions.
- Facility Characteristics:** The new 3 story building will be approximately 125,000 square feet and will be occupied by Academic Advancement, Arts & Science programs, the entire Health Sciences Division, Economic Development and Corporate Training and serve 10,000 students, visitors, faculty and staff.
- Financial Impact:** The project will be funded from the College's Plant Maintenance funds (uncommitted balance \$12.8 million at February 20, 2020). Revenue to the fund is an accumulation of appropriated funds from Greenville County, which are used to perform maintenance and renovations to physical facilities of the college. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$100 per student per semester, and has not increased for the academic years 2014-2015 to 2019-2020 respectively.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Full Project Estimate: \$66,000,000 (internal) funded by Greenville County Bonds (\$50 million), Greenville Technical College's Plant Maintenance Account (\$10 million) and Greenville Technical College Foundation (\$6,000,000). The estimated cost to complete the project increased from the 2019 CPIP because the size of the building increased by an additional story in height, and the amount of science labs doubled in numbers. Also, the college decided to include a theatre for their students to preform music and theatrical performances.

Other: This new facility will allow the college to maintain an acceptable and productive learning environment with a maximum of 30 students in a standard classroom, 40 students maximum in an expanded classroom, a maximum of 24 students in science labs, and no more than 30 students in a computer lab. The building will be situated adjacent to the Student Center, Engineering Technology Building and the Current University Transfer Building.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (e) **Project:** JBRC Item 15. Horry Georgetown Technical College
H59.6161: Expansion of Diesel Engineer Training Facility
- Request:** Establish Phase I pre-design to expand the college's Diesel Engine Technician Training facility on its Conway Campus by 7,500 square feet.
- Included in CPIP:** Yes - 2019 CPIP Priority 3 of 3 in FY2020 (estimated at \$2,000,000)
CHE Approval: 3/5/20

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, College				56,250	56,250
All Sources				<u>56,250</u>	<u>56,250</u>

Summary of Work: To expand the existing 5,000 square foot training facility by 7,500 square feet to include additional costs unique to the diesel program. Renovations to the existing structure may include improvements to the roof system and building/garage entrances and the costs for re-designing and expanding parking. The project will be constructed to meet Green Globes certification standards.

Rationale: The college desires to expand the facility in response to workforce needs, state-wide labor shortages and increased student demand. The current facility cannot accommodate additional student enrollment.

Facility Characteristics: The existing training facility is 5,000 square feet and was constructed in 1990 (29 years old) and serves the college Diesel Program. The current day program capacity is 20 students with a waiting list of 20 students. Completion of this expansion will increase the capacity to 55 students. The building will be occupied by 6 full and part-time instructors and utilized by 196 students annually.

Financial Impact: The project will be funded from the College's Plant Fund (uncommitted balance \$61 million at June 30, 2019). Revenue to the fund is generated from the cumulative excess of revenues over expenses accumulated over time for the purpose of funding capital projects and for meeting local matching requirements. The project is expected to result in an increase of \$22,500 (years 1 thru 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. The college does not impose any fee relative to its Plant Fund or for capital projects.

Full Project Estimate: \$3,750,000 (internal) funded by College Plant funds. The estimated cost to complete the project has increased from the 2019 CPIP because the CPIP did not acknowledge changes in DHEC requirements, as well as specific construction requirements for certain aspects of the project.

Other: The requested facility expansion will include engine diagnostic equipment, commercial grade air/diesel exhaust handling systems, heavier flooring systems to support overhead cranes and larger diesel engines, and various classroom and lab equipment to support expanding the program. Through expanding the training facility, the college states that they can more than double enrollment in the Diesel Program and use the added space to better support the vehicle maintenance and equipment storage needs of its Electrical Lineman and Golf

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Course Management training programs. The building and approximately 2.5 acres of land were acquired by the college in 2018. The building was retrofitted for use by the college as its Diesel Engine Technician Training facility through a project that did not meet PIP requirements.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (f) **Project:** JBRC Item 17. Department of Administration
D50.6050: SC Data Center – Computer Room HVAC Upgrade
- Request:** Establish Phase I pre-design to upgrade the HVAC systems in the Main Computer Room of the SC Data Center located on Broad River Road in Columbia.
- Included in CPIP:** No – The need for the project was not identified at the time the 2019 CPIP was submitted.
- CHE Approval:** N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, SC Division of Technology				33,162	33,162
All Sources				<u>33,162</u>	<u>33,162</u>

Summary of Work: The project will evaluate a variety of options which include replacing the Computer room air conditioning (CRAC) units with new CRAC units that are more efficient as well as adding a refrigerant redundancy. The intent is to provide more cost efficient and environmentally friendly means to cool the space and control humidity where the entire state network infrastructure resides.

Rationale: The project will improve the cooling system efficiency and to provide cooling system redundancy for the SC Data Center's data processing equipment. The redundancy is necessary so that sufficient conditioning would still be available to allow the network to properly operate in the event of unit failures.

Facility Characteristics: The building is 76,021 gross square feet and was constructed in 1999 (21 years old). The facility is utilized by the SC Division of Technology – Office of Technology and Information Services. New equipment added as a result of this project will support the data processing areas of the Data Center, which is approximately 21,080 gross square feet. The building is occupied by 205 persons, including employees, customers and visitors.

Financial Impact: The project will be funded from SC Division of Technology Funds (uncommitted balance \$9.6 million at May 5, 2020). The project is expected to result in a decrease in annual operating expenses, but that amount has not yet been determined.

Full Project Estimate: \$2,256,488 (internal) funded by SC Division of Technology Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (g) **Project:** JBRC Item 37. Department of Mental Health
J12.9788: COVID-19 Renovation of Fewell Pavilion
- Request:** Establish Phase I pre-design to renovate the Fewell Pavilion, part of the E. Roy Stone Veterans Nursing Homes in Columbia.
- Included in CPIP:** No – This project is in response to the 2020 Coronavirus Pandemic.
CHE Approval: N/A
-

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, COVID-19, Response Reserve Account				157,500	157,500
All Sources				<u>157,500</u>	<u>157,500</u>

Summary of Work: The renovation will renew the aging mechanical, electrical and plumbing systems which were last renovated 27 years ago and are well past their service life. Isolation areas for up to 14 residents, and quarantine areas for up to 20 residents exposed to COVID-19 will be created. It will also provide an area to store medical supplies related to controlling the spread of COVID-19 and provide an administrative support area. The existing shingle roof, supporting wooden decking, flashings and accessories and center EPDM section on the facility is anticipated to be replaced with a metal roof.

Rationale: The FY20 Coronavirus Aid, Relief, and Economic Security (CARES) Act provided \$150 Million in federal grant funding for coronavirus related renovations to existing State Veterans Nursing Homes. The agency submitted a grant application on April 15th. The agency submission was one of only 11 grants received by the grant deadline and is likely to receive a conditional funding approval in early 2021. The existing roof is failing and does not meet code and will need to be replaced in order to support residents.

Facility Characteristics: Fewell Pavilion is a single-story structure totaling approximately 45,000 gross square feet and was constructed in 1970 (50 years old). The roof is approximately 44,000 square feet and is approximately 30 years old. The facility is licensed for a total of 90 residents (nursing beds) but is currently vacant. The facility will be utilized by approximately 10-20 staff unless the quarantine wards are activated. The number of staff would vary by the number of residents in quarantine.

Financial Impact: The project will be funded from Appropriated State, COVID-19 Response Reserve Account created via Act 135 of 2020.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Full Project Estimate: \$10,500,000 (internal) funded by Federal, VA Grant CARES Act funds. State Appropriations will be used to fund Phase I of the project until the Federal Grant funds are received next fiscal year. The project will be funded with 65% federal and 35% state funds.

Other: The renovation will not add new beds or increase resident capacity and is only designed to be a quarantine area.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (h) **Project:** JBRC Item 48. Department of Corrections
N04.9768: Kirkland CI – Remodel Storage Space into Housing Unit
- Request:** Establish Phase I pre-design to remodel a portion of the building “D” at Kirkland CI to a Housing Unit.
- Included in CPIP:** No – This project was not anticipated needing attention and therefore was not included in the 2019 CPIP.
- CHE Approval:** N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Canteen				15,000	15,000
All Sources				<u>15,000</u>	<u>15,000</u>

Summary of Work: The project scope of work will convert approximately 10,446 square feet, which is the portion of the building used for storage space, into a Housing Unit. Portions of this building were remodeled into a housing unit in 2000. Currently Kirkland CI houses R&E, the State’s MSU and special needs inmates which puts bed space at a premium.

Rationale: The Housing Unit will provide space for Kirkland CI’s inmate cadre to be moved from the Special Needs Unit to a separate unit freeing up bed space for additional special needs inmates.

Facility Characteristics: The “D” Building is 51,860 square feet and was constructed in 1973 (47 years old). The 10,446 square feet of remodeled space will house 100 inmates and 1 staff.

Financial Impact: The project will be funded from Canteen Funds (uncommitted balance \$6.5 million at March 13, 2020). Revenue to this fund is derived wholly from the canteen operations within the Department of Corrections on behalf of the inmate population, which may be retained and expended by the department for the continuation of the operation of said canteens and the welfare of the inmate population or, at the discretion of the Director, used to supplement costs of operations. The project is expected to result in an increase in additional annual operating cost, but those costs have not yet been determined.

Full Project Estimate: \$1,000,000 (internal) funded by Canteen Funds.

MEETING OF June 30, 2020

ITEM NUMBER 2, Page 14

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(i) **Project:** JBRC Item 50. Department of Juvenile Justice
N12.9611: Security Upgrade for Maple, Holly, Poplar, Cypress and Laurel Units

Request: Establish Phase I pre-design to install secure cell fronts, door controls, intercoms and central control units to the 4 newer units of the main campus.

Included in CPIP: Yes – 2019 CPIP Priority 3 of 6 in FY23 (estimated at \$4,101,651)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY19 Carryforward				61,525	61,525
All Sources				<u>61,525</u>	<u>61,525</u>

Summary of Work: The project will upgrade the lock and control systems from the original designs to meet current life safety codes as well as provide a controlled and safe environment for the staff and youth. This work will also include the intercom system, control station(s), and computer switchgear renovation needs. The area impacted is 2,300 square feet.

Rationale: Currently, the youth, many of whom have traumatic pasts, are housed in open rooms with no barriers, so many youths feel less secure and have difficulty sleeping. Cell doors and other included security upgrades will provide a safer environment and allow them to focus more on their rehabilitation. Additionally, having doors will provide privacy and more safety for youth that are displaying aggressive behaviors and for those who feel unsafe in their environments.

Facility Characteristics: The building is 115,060 square feet and was constructed in 2001 (19 years old). There are 10 youth and 2 staff who utilize the 2,300 square feet of space impacted by the project.

Financial Impact: The project will be funded from Appropriated State, FY19 Carryforward Funds (uncommitted balance \$5.1 million at February 13, 2020).

Full Project Estimate: \$4,101,651 (internal) funded by Appropriated State, Carryforward Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (j) **Project:** JBRC Item 57. JBRC Item 9. Department of Transportation
U12.9744: I-26 EB Rest Area Reconstruction, Charleston Co.
- Request:** Establish Phase I pre-design to replace the existing rest area facilities at the I-26 East Bound Rest Area in Charleston County.
- Included in CPIP:** No – A 2019 CPIP was not submitted by the agency
- CHE Approval:** N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY20 Proviso 118.16 (nonrecurring) (7)				138,000	138,000
All Sources				<u>138,000</u>	<u>138,000</u>

- Summary of Work:** The project will demolish the existing facilities, construct new facilities, install additional truck parking, and add an emergency backup power generator.
- Rationale:** The existing facilities are outdated, in poor condition, and non-ADA accessible. The current amount of available truck parking is not sufficient.
- Facility Characteristics:** The current facilities to be demolished (multiple buildings), total approximately 2,000 square feet, accommodate approximately 15 people, were constructed in 1974 (45 years old) and are frequently utilized by 3,000 travelers and truck/freight haulers throughout the state daily. The proposed new single facility will be approximately 5,000 square feet and accommodate approximately 40 people.
- Financial Impact:** The project will be funded from Appropriated State, FY20 Proviso 118.16 (nonrecurring) funds (uncommitted balance \$4 million at September 18, 2019). The project is expected to result in an increase of \$55,200 (year 1), \$55,400 (year 2) and \$55,600 (year 3), in annual operating expenses.
- Full Project Estimate:** \$10,000,000 (internal) funded by Appropriated State, FY20 Proviso 118.16 (nonrecurring) and Federal, State Highway Funds.
- Other:** The project will also include a Family Assistance restroom, an indoor vending area and storage, and replacement of existing picnic shelters.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (k) **Project:** JBRC Item 58. Department of Transportation
U12.9745: Sumter I-95 NB Rest Area Replacement
- Request:** Establish Phase I pre-design to replace the existing rest area facilities at the I-95 North Bound Rest Area in Sumter County.
- Included in CPIP:** No – A 2019 CPIP was not submitted by the agency
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY20 Proviso 118.16 (nonrecurring) (7)				138,000	138,000
All Sources				<u>138,000</u>	<u>138,000</u>

- Summary of Work:** The project will demolish the existing facilities, construct new facilities, install additional truck parking, and add an emergency backup power generator.
- Rationale:** The existing facilities are too small to accommodate the current number of visitors and is not an ADA compliant facility. The current amount of available truck parking is not sufficient.
- Facility Characteristics:** The current facilities to be demolished (multiple buildings), total approximately 2,000 square feet, accommodate approximately 20 people, constructed in 1970 (36 years old) and are frequently utilized by 4,000 travelers and truck/freight haulers throughout the state daily. The proposed new single facility will be approximately 5,000 square feet and accommodate approximately 40 people.
- Financial Impact:** The project will be funded from Appropriated State, FY20 Proviso 118.16 (nonrecurring) funds (uncommitted balance \$4 million at September 18, 2019). The project is expected to result in an increase of \$35,200 (year 1), \$35,600 (year 2) and \$36,000 (year 3), in annual operating expenses.
- Full Project Estimate:** \$10,000,000 (internal) funded by Appropriated State, FY20 Proviso 118.16 (nonrecurring) and Federal, State Highway Funds.
- Other:** The project will also include a Family Assistance restroom, an indoor vending area and storage, and replacement of existing picnic shelters.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Establish Construction Budget

- (I) **Project:** JBRC Item 2. Clemson University
H12.9947: CU-ICAR Campbell Graduate Engineering Center Propulsion Lab Upfit
- Request:** Establish Phase II construction budget to upfit approximately 1,500 square feet of laboratory space in the Campbell Graduate Engineering Center to create an Advanced Propulsion System Lab.
- Included in CPIP:** No – The project was not anticipated to be completed at the time of the 2019 CPIP submission because the grant funding did not become available until early 2020.
- Phase I Approval:** Pending approval due to postponement of JBRC (estimated at \$5,000,000) (JBRC/SFAA)
- CHE Approval:** 6/22/20

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Facilities and Administrative Cost Recoveries	75,000		75,000	4,925,000	5,000,000
All Sources	<u>75,000</u>		<u>75,000</u>	<u>4,925,000</u>	<u>5,000,000</u>

Summary of Work: To upfit laboratory space by removing or replacing existing concrete flooring and installing a new in-floor trenching system for utilities, equipment foundations, fire-rated interior partition walls, blast doors, lighting, power circuitry, HVAC, fire alarm and protection systems, and related work.

Rationale: To create a lab that will support research efforts in the area of vehicular propulsion systems, electrification and entry for transportation.

Facility Characteristics: The Campbell Graduate Engineering Center at the CU-ICAR campus in Greenville is 89,778 square feet and was completed in 2007. (13 years old) The 1,500 square feet to be upfitted for the new Advanced Propulsion System Lab will be utilized by 14 faculty, 4 staff, 20 students and 10 clients.

Financial Impact: The project will be funded from Facilities and Administrative Cost Recoveries, or indirect cost recoveries (uncommitted balance \$8.2 million at May 1, 2020). Revenue to the fund is generated from costs charged to sponsored research activities to cover the overhead, infrastructure and facilities expenses associated with externally funded grants. The primary sources of grant revenues are federally and privately funded research grants. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has increased from \$738 to \$1,005 for the academic years 2014-2015 to 2019-2020 respectively.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Full Project Estimate: \$5,000,000 (internal) funded by Facilities and Administrative Cost Recovery funds. Contract execution is expected in January 2021 with construction completion in September 2021.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(m) Project: JBRC Item 10. Winthrop University
H47.9582: High-Voltage Electrical Substation & System Upgrade

Request: Establish Phase II to replace the electric distribution system.

Included in CPIP: Yes – 2019 CPIP Priority 1 of 5 in FY20 (estimated at \$2,000,000)

Phase I Approval: December 2019 (estimated at \$2,000,000) (Admin.)

CHE Approval: 6/22/20

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY19 Capital Reserve	30,000		30,000	757,642	787,642
Federal, EDA Grant				1,207,875	1,207,875
All Sources	<u>30,000</u>		<u>30,000</u>	<u>1,965,517</u>	<u>1,995,517</u>

Summary of Work: The project will replace the main substation with a more reliable substation that will include five 4,160-volt circuit breakers and new wiring. This infrastructure project is a component of the Winthrop Strategic Risk Management Plan which will affect all programs from instruction to institutional support.

Rationale: Currently, only four of five circuit breakers continue to function, and the connecting wiring is at the end of its useful life. Despite regular maintenance, ongoing issues with cracks and leakages have created a potential for system failure.

Facility Characteristics: The high voltage infrastructure is 50 years old. Annually, more than 40,000 students, faculty, staff, and community members will be affected by this project. Daily, 6,500 students, faculty, and staff are served.

Financial Impact: The project will be funded from FY19 Capital Reserve Funds (uncommitted balance \$7.5 million at March 18, 2020) and Federal, EDA Grant Fund (uncommitted balance \$1.2 million at March 18, 2020). Revenue to this fund is received from a grant applied for by the university for the specific purpose of upgrading the university's outdated electrical distribution system. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$523 per student per semester, and has decreased from \$593 to \$523 for the academic years 2014-2015 to 2019-2020 respectively.

Full Project Estimate: \$1,995,517 (internal) funded by Capital Reserve and EDA Grant Funds. Contract execution is expected in August 2020 with construction completion in August 2021.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (n) **Project:** JBRC Item 12. Aiken Technical College
H59.6149: Aiken-CEAM Expansion and Renovation for Welding Area
- Request:** Establish Phase II to expand and renovate the welding area contained in the Center for Energy & Advanced Manufacturing.
- Included in CPIP:** No – The college thought that the project would be below the threshold. After reviewing with an engineering firm under an IDC, it was determined that the project would qualify as a PIP
- Phase I Approval:** June 2019 (estimated at \$1,000,000) (JBRC/SFAA)
- CHE Approval:** 6/22/20

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Local College	15,000		15,000	985,000	1,000,000
All Sources	<u>15,000</u>		<u>15,000</u>	<u>985,000</u>	<u>1,000,000</u>

- Summary of Work:** The expansion and renovation will require the college to upgrade the existing duct and dust collection system, possibly add more electrical, controls, plumbing and piping to each booth and peripheral equipment in the welding and conceivably the grinding and machine tool areas.
- Rationale:** During initial construction in 2015, the budget allowed for the necessary floor space to expand the program and for a small amount of additional infrastructure for the future (mainly electrical). Unfortunately, the demand for welding in the area has out distanced their current capacity. The welding area has the floor space (5,661 square feet), needed for the college to bring the capacity from around 36 welding booths to a capacity of 60.
- Facility Characteristics:** The CEAM building is 30,112 square feet and was constructed in 2015 (5 years old). The welding and grinding area affected by this project is 6,612 square feet. 120 students per semester are expected to utilize the space.
- Financial Impact:** The project will be funded from Local College Funds (uncommitted balance \$22.8 million at March 7, 2020). Revenue to this fund is from the remaining amounts from all prior years, not otherwise restricted or previously invested in capital assets. The project is expected to result in an increase of \$6,340 (years 1 thru 3) in annual operating expenses. No student fees or tuition will be increased as a consequence of the project.
- Full Project Estimate:** \$1,000,000 (internal) funded by Local College Funds. Contract execution is expected in May 2020 with construction completion in September 2020.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (o) **Project:** JBRC Item 14. Greenville Technical College
H59.6160: Parking Lot R Construction – Barton Campus
- Request:** Establish Phase II to construct a new parking lot (Parking Lot R) for students and visitors in a vacant area adjacent to Building 102, Student Success Center currently under renovation.
- Included in CPIP:** Yes – 2019 CPIP Priority 3 of 3 in FY20 (estimated at \$1,320,000)
Phase I Approval: February 2020 (estimated at \$2,711,663) (JBRC/SFAA)
CHE Approval: 6/22/20

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, College Plant Maintenance	40,675		40,675	2,727,585	2,768,260
All Sources	<u>40,675</u>		<u>40,675</u>	<u>2,727,585</u>	<u>2,768,260</u>

Summary of Work: The scope will include site development, storm water systems, sidewalks, new LED lighting and a new asphalt parking lot. The project will also rehab Parking Lot O and bring it up to relevant ADA and local code. This lot is adjacent to the new Parking Lot R. This lot is in need of repairs and repaving. This parking lot serves Building 106, Industrial Complex and Building 112, Dental Technology.

Rationale: The vacant area where Parking Lot R will be constructed is the closest vacant area to Building 102. Regarding Parking Lot O, local ordinances require an existing parking lot to be brought up to comply with new ordinances when repairs are made to the pavement and or additions to the parking lot. Since a new parking area will be developed adjacent to this lot, some overlap is anticipated. Costs to provide the new drainage system for Parking Lot R will impact Parking Lot O which is why the decision was made to rehabilitate Parking Lot O at the same time.

Facility Characteristics: Parking Lot R will add approximately 428 spaces and Parking Lot O currently has 180 spaces. These parking lots will be utilized by 94 staff and 12,000+ students and visitors.

Financial Impact: The project will be funded from College Plant Maintenance Funds (uncommitted balance \$12.8 million at February 20, 2020). Revenue is an accumulation of appropriated funds from Greenville County and used to perform maintenance and renovations to physical facilities of Greenville Technical College. The project is expected to result in an increase of \$7,500 (years 1 thru 3) in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$100 per student per semester, and has not changed for the academic years 2014-2015 to 2019-2020 respectively.

Full Project Estimate: \$2,768,260 (internal) funded by College Plant Maintenance funds. Contract execution is expected in July 2020 with construction completion in December 2020.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (p) **Project:** JBRC Item 23. Department of Administration
D50.6032: SC Data Center - B-Side - Uninterrupted Power Source (UPS)
Upgrade
- Request:** Establish Phase II construction budget to upgrade the Uninterrupted Power Source (UPS) at the SC Data Center located on Broad River Road in Columbia.
- Included in CPIP:** Yes – 2019 CPIP Priority 31 of 31 in FY20 (estimated at \$2,100,000)
Phase I Approval: October 2019 (estimated at \$2,028,000) (JBRC/SFAA)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, DTO Revenue	30,420		30,420	2,507,286	2,537,706
All Sources	<u>30,420</u>		<u>30,420</u>	<u>2,507,286</u>	<u>2,537,706</u>

Summary of Work: The project includes adding a modular Uninterrupted Power Source (UPS) with upgradable capacity, create new UPS distribution and provide tie-breaker arrangement between the existing A-side and new B-side, adding normal power distribution, revising generator feed arrangement, migration of existing PDU's to B-side UPS, mechanical HVAC work associated with the environmental site conditions, fire protection (sprinkler system) modifications, and lighting fire alarm and associated ancillary electrical requirements.

Rationale: The purpose of the project is to establish true Uninterrupted Power Source Redundancy in the power supply for the SC Data Center's data processing equipment.

Facility Characteristics: The SC Data Center Building is 76,021 square feet and was constructed in 1999 (21 years old). New equipment added as a result of the project will support the data processing areas of approximately 21,080 gross square feet. The facility houses the SC Division of Technology which has 205 employees, customers and visitors each day.

Financial Impact: The project will be funded from DTO Internal Service Funds (uncommitted balance \$10.2 million at March 31, 2020). Revenue to the fund is generated from Network Services, Shared Services, and Print/Mail Services revenues that are collected from customers which are comprised of state agencies, higher education, counties and other local subdivisions. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$2,537,706 (internal) funded by DTO Revenue funds. Contract execution is expected in March 2021 with construction completion in March 2022.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (q) **Project:** JBRC Item 25. Department of Administration
D50.6036: Wade Hampton Building – Roof Replacement and Parapet Wall Reinforcement
- Request:** Establish Phase II for the replacement of the roof and installation of parapet seismic structural reinforcement at the Wade Hampton Building located at the SC State Capitol Complex in Columbia.
- Included in CPIP:** Yes – 2019 CPIP Priority 10 of 31 in FY20 (estimated at \$1,600,000)
Phase I Approval: October 2019 (estimated at \$1,360,000) (JBRC/SFAA)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State	69,650		69,650	1,079,869	1,149,519
All Sources	<u>69,650</u>		<u>69,650</u>	<u>1,079,869</u>	<u>1,149,519</u>

Summary of Work: The work includes replacement of the built-up roof system with an aggregate surface and installation of a new thermoplastic polyolefin (TPO) single-ply roofing membrane system. The new roof will come with a minimum 20-year warranty.

Rationale: Since the existing roof system is a built-up system with an aggregate surface it is not eligible for elastomeric coating. There are multiple leaks and the existing roof parapet exceeds the height allowable by current building code seismic regulation for parapets that are not laterally braced and requires structural seismic reinforcement.

Facility Characteristics: The building is 121,141 gross square feet and was constructed in 1938 (82 years old). The roof area is 19,560 gross square feet and was installed in 1978 (42 years old). The building is occupied by the Office of the Ombudsman, State Treasurer's Office, Prosecution Commission, Comptroller General's Office, Department of Administration, Department of Agriculture and State Fiscal Accountability Authority and is utilized by 275 occupants plus visitors daily.

Financial Impact: The project will be funded from Appropriated State Funds (uncommitted balance \$3 million at January 21, 2020). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,149,519 (internal) funded by Appropriated State Funds. Contract execution is expected in January 2021 with construction completion in August 2021.

Other: The project includes replacing all roof insulation with new R24-R30 insulation and installing a new thermoplastic polyolefin (TPO) single-ply roofing membrane system with all new roof drains, flashing and lightning protection system. The project also includes addressing additional leaks that appear to be related water intrusion within the exterior wall veneer.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (r) **Project:** JBRC Item 26. Department of Administration
D50.6046: Adjutant General Office Building – HVAC Systems Replacement
- Request:** Establish Phase II construction budget to replace the HVAC systems at the Adjutant General Office Building located in Columbia.
- Included in CPIP:** Yes – 2019 CPIP Priority 3 of 31 in FY20 (estimated at \$1,150,000)
Phase I Approval: February 2020 (estimated at \$1,171,356) (JBRC/SFAA)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	18,570		18,570	1,197,117	1,215,687
All Sources	<u>18,570</u>		<u>18,570</u>	<u>1,197,117</u>	<u>1,215,687</u>

Summary of Work: The work includes new air handlers, variable air volume units, chilled water pumps, and associated architectural and electrical work.

Rationale: The HVAC systems are original to the building and are past their useful life, leading to system inefficiency, periodic failure and disruption of service.

Facility Characteristics: The Adjutant General Administration Building is 53,817 square feet and was constructed in 1987 (32 years old). The building is utilized by the SC National Guard and the Adjutant General, which includes approximately 1,500 staff and visitors.

Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance \$2.7 million at May 6, 2020). Revenue to the fund is derived from the rent account which receives rent charged to agencies. The project is expected to result in a decrease of \$2,680 (years 1 thru 3) in annual operating expenses.

Full Project Estimate: \$1,206,574 (internal) funded by Depreciation Reserve funds. Contract execution is expected in February 2021 with construction completion in October 2021.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Phase II Increase

(s) **Project:** JBRC Item 30. Office of the Adjutant General
E24.9793: Armory Revitalization (Annualized)

Request: Increase the Phase II budget to continue with the design and construction of the Easley and Sumter armories.

Included in CPIP: Yes – 2019 CPIP Priority 3 of 18 in FY20 (estimated at \$23,346,000)
Phase II Approval: November 2016 (estimated at \$10,500,000) (JBRC/SFAA)
Phase II Incr. Approval: September 2018 (estimated at \$13,500,000) (Admin.)
CSOF Approval: September 2018 (estimated at \$13,500,000) (JBRC Staff)
Phase II Incr. Approval: December 2018 (estimated at \$19,600,000) (JBRC/SFAA)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY16 Capital Reserve	5,000,000		5,000,000		5,000,000
FY19 Capital Reserve		3,000,000	3,000,000		3,000,000
Appropriated State, FY20 Proviso 118.16 (nonrecurring)			2,000,000		2,000,000
Federal, National Guard Bureau	5,500,000	2,500,000	10,000,000	500,000	10,500,000
Other, FY20 Armory Maintenance				500,000	500,000
All Sources	<u>10,500,000</u>	<u>5,500,000</u>	<u>20,000,000</u>	<u>1,000,000</u>	<u>21,000,000</u>

Summary of Work: The project was established to complete significant repairs at ten (10) Readiness Centers (aka; Armories) that are in the worst conditions of disrepair of the 63 RCs and are chosen based on the A/E's assessment/design. The centers include Greenwood, Lancaster, Greenville, Florence, Sumter, Clemson, Laurens, Union, Hartsville, and Easley. Each of these facilities have varying issues that need to be repaired or renovated, but the major cost items include; 1) Roof replacement or repairs. Roofs will be replaced at Florence, Sumter, Easley, Laurens, Clemson, Union and Hartsville because each roof is approximately 40+ years old. Five armories have built-up bituminous roofing systems and two have standing seam metal roofs and all will be replaced with the same roofing material. All roofs will come with a minimum 20-year warranty. 2) HVAC systems maintenance and/or repairs. 3) Replacing existing exterior windows, doors and storefront systems. 4) Interior renovations of latrines, kitchen, lighting, fire suppression, carpeting/flooring, painting of interior & exterior walls. 5) Electrical system upgrades. 6) Site improvements and repairs of parking lots, stormwater systems, security fencing, security lighting. 7) Foundation, structure and exterior wall repairs.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- Rationale:** In most cases, items require replacement since they have exceeded their service life. In accordance with Federal law, the State of South Carolina is obligated to the National Guard Bureau to provide operation and maintenance funding for those facilities as long as there is a federally recognized unit assigned to the facilities.
- Facility Characteristics:** Each armory is 45,000 to 65,000 square feet and were constructed in 1970 (50 years old). The agency has relocated and/or consolidated force structure to other RCs and closed the sub-standard RCs that could be closed. Each armory will be utilized by 300+ National Guardsman statewide.
- Financial Impact:** The project will be funded with Federal, National Guard Bureau Funds (uncommitted balance \$13,000,000 at March 17, 2020). Revenue to this fund is received from the Construction and Facilities Management Office's Master Cooperative Agreement funds. The project will also be funded with Other, FY20 Armory Maintenance Funds (uncommitted balance \$1,200,000 at March 17, 2020). The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate:** \$41,000,000 (internal) funded by Capital Reserve, Appropriated State and National Guard Bureau Funds. Contract execution is expected in August 2020 for Easley with construction completion in August 2021.
- Other:** 3 of 10 facilities (Greenwood/Lancaster/Greenville) have been completed. 1 of 10 (Florence) is presently under renovation and will be completed by the end of 2020. 2 of 10 (Easley & Sumter) are being designed with this funding being added to the project.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (t) **Project:** JBRC Item 31. Office of the Adjutant General
E24.9811: Training Sites TT Enlisted Barracks Replacement
- Request:** Increase the Phase II budget for this annualized project to support the construction of Clarks Hill Training Site.
- Included in CPIP:** Yes – 2019 CPIP Priority 5 of 18 in FY20 (estimated at \$1,326,416)
Phase I Approval: May 2018 (estimated at \$1,404,000) (JBRC/SFAA)
Phase II Approval: March 2019 (estimated at \$1,414,416)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau	88,000	1,326,416	1,414,416	663,208	2,077,624
All Sources	<u>88,000</u>	<u>1,326,416</u>	<u>1,414,416</u>	<u>663,208</u>	<u>2,077,624</u>

Summary of Work: The project will demolish existing WWII Era barracks and construct replacement Transient Training Enlisted, (TT ENL) Barracks at two Army National Guard Training Sites; McCrady Training Center (MTC) and Clarks Hill Training Site (CHTS). The construction phase of this project will be annualized with one barrack from McCrady Training Center (#3511), and one barrack from Clarks Hill Training Site (#4423) being demolished and replaced with 16-man barracks at this time. Each barracks building will be of permanent construction with a finished interior, including mechanical, electrical, and plumbing, (MEP) systems, a latrine with showers, urinals, toilets, sinks and washer/dryer connections. Installation of utilities and the extensions of utilities to the nearest service lines are also included

Rationale: The barracks to be replaced are no longer sufficient for the housing of soldiers; the structures are not insulated properly; the roofs are cost prohibitive to repair; no latrine; single pane windows; and old/energy inefficient light fixtures. Due to their age and condition, the existing barracks no longer support the SCARNG's mission and need to be replaced to current codes and standards.

Facility Characteristics: Each of the five (5) new barracks buildings at McCrady Training Center will be approximately 2,400 to 4,600 square feet. Each of the five (5) new barracks buildings at Clarks Hill Training Site will be approximately 2,400 square feet. Approximately 300 Army National Guard soldiers use these facilities.

Financial Impact: The project will be funded from National Guard Bureau Funds (uncommitted balance \$8 million at May 6, 2020). Revenue to this fund is identified as part of the Construction and Facilities Management Office's Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is expected to result in a decrease of \$7,000 (years 1 thru 3) in annual operating expenses.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Full Project Estimate: \$2,077,624 (internal) funded by National Guard Bureau Funds. Contract execution is expected in July 2020 with construction completion in December 2020. Construction for each of the ten barracks is anticipated to cost \$663,208, totaling \$6,632,080. The total estimated cost to complete the full scope of the project is estimated at \$6,720,080

Other: The current McCrady Training Center includes five (5) buildings that total 14,805 square feet and the current Clarks Hill Training Site includes five (5) buildings that total is 3,840 square feet.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Phase II Increase & Change Source of Funds

- (u) **Project:** JBRC Item 60. Department of Mental Health
J12.9737: State Veterans' Nursing Home Construction Central Region
- Request:** Increase the Phase II budget to cover the estimated construction costs for the new design, plus that of the land acquisition.
- Included in CPIP:** Yes – 2019 CPIP 1 of 9 in FY22 (estimated at \$54,100,000)
- Phase I Approval:** January 2015 (estimated at \$58,000,000) (JBRC/SFAA)
- Revise Scope Approval:** March 2015 (estimated at \$37,000,000) (JBRC/SFAA)
- Phase I Budget Increase Approval:** May 2018 (estimated at \$40,300,000) (JBRC/SFAA)
- Phase II Approval:** August 2018 (estimated at \$54,100,000) (JBRC/SFAA)
- CHE Approval:** N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State				17,888,242	17,888,242
Federal, VA State Home Construction Grant Program		28,811,758	28,811,758		28,811,758
Other, Capital Improvement & Maintenance	500,000	24,788,242	25,288,242	(5,288,242)	20,000,000
All Sources	<u>500,000</u>	<u>53,600,000</u>	<u>54,100,000</u>	<u>12,600,000</u>	<u>66,700,000</u>

Summary of Work: A preliminary site has been identified in Sumter with a design replicable in one or more locations based on the state's strategy to develop additional State Veterans' nursing homes. The design on which the cost estimate is based calls for steel framing, pitched roof and full emergency generators. The facility will be constructed to meet LEED Silver certification standards with anticipated energy savings of \$1,800,000 over a 30-year period. The new facility will be all private rooms and include all support functions required for a complete operation.

Rationale: The project was established to complete all requirements necessary to receive a federal funding grant from VA in early 2019 (now delayed to April 2023), for the construction of a veterans nursing home in the central South Carolina region. The FY18 Veterans Affairs Appropriations Bill contained funding for the construction of homes in the Northeast and Northwest regions of the state, based on the community living center design. Based on budget limitations and on the department's recommendations, on March 19, 2019, JBRC Staff directed deferral of the Central region project with revised plans for the Central project to be submitted by the department to the committee at an appropriate future date.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Facility Characteristics: The facility to be constructed will be approximately 125,000 gross square feet. It will house 104 veterans and 100+ contract management staff. Under the existing contract model for Veterans Victory House and Campbell, the day to day maintenance will be handled by an outside contractor with assistance and oversight as needed by SCDMH Physical Plant Services staff.

Financial Impact: The project will be funded from Appropriated State, VA State Home Construction Grant Program, and Capital Improvement and Maintenance Funds. The project is expected to result in an increase of \$12,868,669 (year 1), \$13,254,730 (year 2), and \$13,652,370 (year 3) in annual operating expenses.

Full Project Estimate: \$66,700,000 (internal) funded by Appropriated State, VA State Home Construction Grant Program, and Capital Improvement and Maintenance Funds. Contract execution is expected in April 2023 with construction completion in December 2024.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Establish Construction Budget & Revise Scope

- (v) **Project:** JBRC Item 28. Department of Administration
D50.6029: Harden Street DSS – Air Distribution, Heating and Cooling
- Request:** Establish Phase II and revise the scope for the removal and replacement of the heating, cooling and air distribution systems in the Department of Social Services Harden Street building, and to add the replacement of the Harden Street HVAC Control System.
- Included in CPIP:** Yes – 2019 CPIP Priority 11 of 31 in FY20 (estimated at \$573,781)
Phase I Approval: October 2019 (estimated at \$745,839) (JBRC)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State	42,708		42,708	703,131	745,839
Other, Depreciation Reserve (transfer from D50-9817)				301,779	301,779
All Sources	<u>42,708</u>		<u>42,708</u>	<u>1,004,910</u>	<u>1,047,618</u>

Summary of Work: The project will remove and replace the original antiquated and unreliable heating, cooling and air distribution systems in the Department of Social Services – Harden Street Building.

Rationale: The existing systems are original to the building and experience frequent outages and do not properly provide balanced heating and cooling.

Facility Characteristics: The building is 64,311 square feet and was constructed in 1989 (31 years old). There are approximately 300 staff members and a various number of visitors who utilize the building.

Financial Impact: The project will be funded from Appropriated State Funds (uncommitted balance \$2 million at March 10, 2020) and Depreciation Reserve Funds as a transfer from D50-9517 (uncommitted balance \$561,536.15 at March 31, 2020). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,047,618 (internal) funded by Appropriated State Funds and Depreciation Reserve Funds. Contract execution is expected in October 2020 with construction completion in October 2021. The estimated cost to complete the project has increased from the Phase I estimate due to the additional scope, increased costs of VAV boxes, design fees for added scope and larger contingency.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Other: Replacement of the Harden Street HVAC Control System was included as a portion of another permanent improvement project, D50-9817 (Energy Facilities Control Systems Upgrade). However, in consultation with OSE, it was determined in order to realize a cost savings and minimize the disruption to the building occupants, the Harden Street HVAC Controls should be included as part of this project.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Phase II Increase & Revise Scope

- (w) **Project:** JBRC Item 33. Office of the Adjutant General
E24.9807: MTC Bldg. 3800 HVAC Replacement
- Request:** Increase the Phase II budget and revise the project scope to install smoke detectors on the air handlers with cabling back to the Fire Alarm panel per code.
- Included in CPIP:** Yes – 2018 CPIP Priority 10 of 18 in FY19 (estimated at \$700,000)
- Phase I Approval:** December 2017 (estimated at \$468,000) (JBRC)
- Phase II Approval:** April 2018 (Partial Approval) (estimated at \$468,000)
- Phase II Approval:** January 2019 (estimated at \$1,498,940)
- CHE Approval:** N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau	7,020	1,491,920	1,498,940	401,051	1,900,000
All Sources	<u>7,020</u>	<u>1,491,920</u>	<u>1,498,940</u>	<u>401,051</u>	<u>1,900,000</u>

- Summary of Work:** The project will replace the ten (10) HVAC units on the McCrady Training Center.
- Rationale:** The 22-year-old HVAC units that support the Readiness Training Institute (RTI) are nearing the end of their serviceable life. The RTI has been plagued with HVAC failures and repairs over the past few years, which has directly affected their Federal mission which supports the US Army's Training and Doctrine Command (TRADOC).
- Facility Characteristics:** The Regional Training Institute is 160,342 square feet and was constructed in 1998 (22 years old). This facility is utilized by the SC Army National Guard to provide professional military education to soldiers. It houses approximately 80 full-time instructors and staff and provides military education to approximately 3,000 students annually.
- Financial Impact:** The project will be funded from National Guard Bureau Funds (uncommitted balance \$7.4 million at May 6, 2020). Revenue to this fund is identified as part of the Construction and Facilities Management Office's Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is expected to result in a decrease of \$35,000 (years 1 thru 3) in annual operating expenses.
- Full Project Estimate:** \$1,900,000 (internal) funded by National Guard Bureau Funds. Construction completion is planned for October 2021.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Phase II Increase, Revise Scope & Change Source of Funds

- (x) **Project:** JBRC Item 34. Office of the Adjutant General
E24.9817: Statewide Act of Nature Repairs
- Request:** Increase Phase II budget, change the source of funds and revise the scope to support the Manning Readiness Center roof replacement.
- Included in CPIP:** Yes – 2019 CPIP Priority 12 of 18 in FY20 (estimated at \$1,067,296)
- Phase I Approval:** January 2019 (estimated at \$816,850) (JBRC)
- CSOF Approval:** May 2019 (estimated at \$816,850) (Admin.)
- Revise Scope & Phase II Approval:** August 2019 (estimated at \$1,067,296) (JBRC/SFAA)
- CHE Approval:** N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State	3,750	1,063,546	1,067,296	(475,472)	591,824
Federal, National Guard Bureau	11,250	(11,250)		1,775,472	1,775,472
All Sources	<u>15,000</u>	<u>1,052,296</u>	<u>1,067,296</u>	<u>1,300,000</u>	<u>2,367,296</u>

- Summary of Work:** The replacement of the Manning Center roof is being added to the project. The existing standing seam metal roof system is original to the building and will be replaced with a standing seam metal roof and come with a minimum 20-year warranty.
- Rationale:** The Pee Dee Region Readiness Centers suffered significant damage which is impacting SC National Guard mission readiness and soldier morale. This project was established for the restoration of the readiness centers in Marion, Mullins and Manning that were impacted by Hurricane Florence on September 12, 2018.
- Facility Characteristics:** The 17,271 square foot Marion center was constructed in 1981 (39 years old). The 25,520 square foot Mullins center was constructed in 1989 (31 years old). The 25,960 square foot Manning center was constructed in 1997 (23 years old). Each readiness center is utilized by approximately 100 soldiers. They are also rentable to the public with approved requests.
- Financial Impact:** The project will be funded from Appropriated State and Federal, National Guard Bureau Funds (uncommitted balance \$2.2 million at January 15, 2020). Revenue to the fund is identified as part of the Construction and Facilities Management Office's Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is not expected to result in any change in annual operating expenditures.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Full Project Estimate: \$2,367,296 (internal) funded by Appropriated State and Federal, National Guard Bureau Funds. Contract execution is expected in July 2020 with construction completion in December 2020.

Other: A TPO system was not selected because it would require the construction of an underlying solid roof deck and would significantly increase the cost for replacing the roofing system. Thus, a TPO system was not considered as a viable option for a replacement system. The Marion center repairs include replacing the caulking and sealing around windows in the readiness center and other minor repairs. The Mullins center repairs include replacing mortar (re-grouted) on the drill hall wall, water proofing wall, removing mold from walls, painting of walls, replacing floor tiles and other minor repairs. The Manning center repairs include replacing the roof, covering window sills with metal, water proofing walls, clean and paint interior walls, replace damaged ceiling tiles, and replace carpet/floor tiles and other minor repairs.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Preliminary Land Acquisition

- (y) **Project:** JBRC Item 4. SC State University PSA
H24.9658: Building Acquisition (Pee Dee Cluster)
- Request:** Establish authorization to evaluate the acquisition of an 10,534 square foot office building on .50 acres, located at 315 West Pine Street in Florence, South Carolina.
- Included in CPIP:** No – The opportunity to acquire the facility did not become available until January 2020.
- CHE Approval:** N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, USDA Facilities Grant				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: The facility will allow the 1890 Program to increase their program delivery and community engagement in the Pee-Dee region. This acquisition will provide the opportunity for the university to obtain a permanent home in the Pee Dee region of the state. It will provide the program with the visibility and facility required to enhance the life-long program offerings to the residents of the Pee Dee. It will provide administrative, programmatic, and research space for programs, activities, and services in the areas of 4-H and youth development, family, nutrition and health, sustainable agriculture, and natural resources, community development, education innovation, and other informal learning opportunities.

Characteristics: The property to be acquired is .50 acres with a 10,534 square foot office building that was constructed in 1996 (14 years old). The facility will house 6 staff and serve 3,000 clients. The building will provide classroom and laboratory spaces.

Financial Impact: The property is offered by Donna F. Calcutt of Florence, SC for a proposed purchase price of \$1,250,000. If acquired, the facility will require some renovations to accommodate classroom and laboratory spaces, which is estimated to cost between \$300,000 to \$425,000. The acquisition will be funded from Federal, USDA Facilities Grant Funds (uncommitted balance \$6.1 million at March 9, 2020). The project is expected to result in an increase of \$30,211 (years 1 thru 3) in annual operating expenses.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Final Land Acquisition

- (z) **Project:** JBRC Item 7. SC State University PSA
H24.9756: Building Acquisition (Midlands Cluster)
- Request:** To purchase an office building and property located on 4.16 acres of land at 1801 Charleston Highway in Cayce, South Carolina.
- Included in CPIP:** No – The opportunity to acquire the facility did not become available until August 2019.
- Phase I Approval:** December 2019 (estimated at \$1,420,000) (JBRC/SFAA)
- CHE Approval:** N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, USDA Facilities Grant	20,000		20,000	1,420,000	1,440,000
All Sources	<u>20,000</u>		<u>20,000</u>	<u>1,420,000</u>	<u>1,440,000</u>

- Rationale:** The property will allow program expansion of current statewide programming and provide laboratories for research projects, and will provide administrative, programmatic and research space for activities in the areas of 4-H and youth development, family, nutrition and health, sustainable agriculture and natural resources, community development, education innovation and other lifelong learning opportunities. The agency believes that this purchase and associated upfit will be more cost-effective than new construction of a facility built to its specifications.
- Characteristics:** The building is approximately 43,000 square feet and was constructed in 1976 (44 years old) and the agency anticipates required upgrades or replacement of windows and doors, HVAC, electrical, roof, flooring and paint, along with upfit for research and other unique space requirements (estimated at \$ 1.1 million). The facility will house 20 staff and serve 6,000 clients annually.
- Financial Impact:** The property is offered by Moustafa A. Moustafa of Mt. Pleasant, SC for \$1,420,000. The acquisition will be funded from USDA Facilities Grant Funds (uncommitted balance \$6.1 million at March 9, 2020). The acquisition is expected to result in an increase of \$191,037 in annual operating expenses. An appraisal was completed by Elliot Valuation & Consulting Services in March 2020 and valued the property at \$1,450,000. A Phase I Environmental Site Assessment was completed by Bunnell Lammons Engineering in February 2020 and revealed no evidence of recognized environmental conditions (RECs), Historical Recognized Environmental Condition (HRECs), or controlled recognized environmental conditions (CRECs) in connection with the property. A Building Condition Assessment was completed by Bunnell Lammons Engineering in February 2020 and did find some immediate needs and hazards that should be address immediately. Letters of support are pending submission

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

late next week from the local county and school district. The acquisition will be funded from USDA Facilities Grant funds (uncommitted balance \$6.1 million at March 9, 2020). The acquisition is expected to result in an increase of \$191,037 in annual operating expenses.

Other:

The Lexington School District Two letter of support has been received. SC State PSA has submitted an official letter to Lexington County Council to request and obtain their letter of support. Once this is received, SC state PSA can request to receive a letter of submit from the City of Cayce.

AUTHORITY ACTION REQUESTED:

Approve permanent improvement project establishment requests and budget revisions as requested by the Department of Administration, Capital Budget Office. All items have been reviewed favorably by the Joint Bond Review Committee.

ATTACHMENTS:

Agenda item worksheet and attachments

Project List: SFAA Items - June 30, 2020

SFAA Items - June 30, 2020

SFAA Item	JBR Code	Agency	Agency Name	Project ID	Project Name	Action Proposed	Included in CIP?	Current Budget	Requested Change	Phase I	Total Phase II Budget	SOF (excludes proposed Phase II if currently seeking Phase I)
(a)	1	H12	Clemson University	9947	CU-ICAR Campbell Graduate Engineering Center Propulsion Lab Upfit	Establish Phase I	No	-	75,000	75,000	5,000,000	Other - Facilities and Administrative Cost Recoveries
(b)	8	H27	University of South Carolina - Columbia	6135	Colonial Life Arena Roof Replacement and Envelope Maintenance	Establish Phase I	Yes	-	30,000	30,000	2,850,000	Athletic - Operating Funds
(c)	11	H51	Medical University of South Carolina	9852	MUSC Combined Heat and Power Facility	Establish Phase I	No	-	1,500,000	1,500,000	39,000,000	Other - Institutional Capital Project
(d)	13	H59	Greenville Technical College	6166	Greenville - New Arts & Sciences Building Construction	Establish Phase I	Yes	-	990,000	990,000	66,000,000	Other - Local Plant
(e)	15	H59	Horry Georgetown Technical	6161	Expansion of Diesel Engine Training Facility	Establish Phase I	Yes	-	56,250	56,250	3,750,000	Other - College
(f)	17	D50	Department of Administration	6050	SC Data Center - Computer Room HVAC Upgrade	Establish Phase I	No	-	33,162	33,162	2,256,488	Other - SC Division of Technology
(g)	37	J12	Department of Mental Health	9788	COVID-19 Renovation of Fowell Pavilion	Establish Phase I	No	-	157,500	157,500	10,500,000	Other - Capital Improvement & Maintenance
(h)	48	N04	Department of Corrections	9768	Kirkland CI - Remodel Storage Space into Housing Unit	Establish Phase I	No	-	15,000	15,000	1,000,000	Other - Canteen
(i)	50	N12	Department of Juvenile Justice	9611	Security Upgrade for Maple, Holly, Poplar, Cypress and Laurel Units	Establish Phase I	Yes	-	61,525	61,525	4,101,651	Appropriated State - FY19 Carryforward
(j)	57	U12	Department of Transportation	9744	I-26 EB Rest Area Reconstruction, Charleston Co.	Establish Phase I	No	-	138,000	138,000	10,000,000	Appropriated State - FY20 Proviso 118.16 (nonrecurring)
(k)	58	U12	Department of Transportation	9745	Sumter I-95 NB Rest Area Replacement	Establish Phase I	No	-	138,000	138,000	10,000,000	Appropriated State - FY20 Proviso 118.16 (nonrecurring)
(l)	2	H12	Clemson University	9947	CU-ICAR Campbell Graduate Engineering Center Propulsion Lab Upfit	Establish Phase II	No	75,000	4,925,000	75,000	5,000,000	Other - Facilities and Administrative Cost Recoveries
(m)	10	H47	Winthrop University	9582	High-Voltage Electrical Substation & System Upgrade	Establish Phase II	Yes	30,000	1,801,517	30,000	1,831,517	FY19 Capital Reserve / Federal - EDA Grant
(n)	12	H59	Aiken Technical College	6149	Aiken-CEAM Expansion and Renovation for Welding Area	Establish Phase II	Yes	15,000	985,000	15,000	1,000,000	Other - Local
(o)	14	H59	Greenville Technical College	6160	Parking Lot R Construction - Barton Campus	Establish Phase II	Yes	40,675	2,727,585	40,675	2,768,260	Other - Local Plant
(p)	23	D50	Department of Administration	6032	SC Data Center - B-Side - Uninterrupted Power Source (UPS) Upgrade	Establish Phase II	Yes	30,420	2,507,286	30,420	2,537,706	Other - DTO Revenue
(q)	25	D50	Department of Administration	6036	Wade Hampton Building - Roof Replacement and Parapet Wall	Establish Phase II	Yes	69,650	1,079,869	69,650	1,149,519	Appropriated State
(r)	26	D50	Department of Administration	6046	Adjutant General Office Building - HVAC Systems Replacement	Establish Phase II	Yes	18,570	1,197,117	18,570	1,215,687	Other - Depreciation Reserve
(s)	30	E24	Office of the Adjutant General	9793	Armory Revitalization (Annualized)	Phase II Increase	Yes	20,000,000	1,000,000	10,500,000	41,000,000	Capital Reserve / Appropriated State / Federal - National Guard Bureau
(t)	31	E24	Office of the Adjutant General	9811	Training Sites TT Enlisted Barracks Replacement	Phase II Increase	Yes	1,414,416	603,208	88,000	2,077,624	Federal - National Guard Bureau
(u)	60	J12	Department of Mental Health	9737	State Veterans' Nursing Home Construction Central Region	Phase II Increase & Change Source of Funds	Yes	54,100,000	17,888,242	1,000,000	66,700,000	Appropriated State / Federal - VA State Home Construction Grant Program / Other - Capital Improvement & Maintenance
(v)	28	D50	Department of Administration	6029	Harden Street DSS - Air Distribution, Heating and Cooling	Establish Phase II & Revise Scope	Yes	42,708	1,004,910	42,708	1,047,618	Appropriated State / Other - Depreciation Reserve (transfer from D50-9817)
(w)	33	E24	Office of the Adjutant General	9807	MTC Bldg. 3800 HVAC Replacement	Phase II Increase & Revise Scope	Yes	1,498,940	401,051	7,020	1,900,000	Federal - National Guard Bureau
(x)	34	E24	Office of the Adjutant General	9817	Statewide Act of Nature Repairs	Phase II Increase, Revise Scope & Change Source of Funds	Yes	1,067,296	1,300,000	15,000	2,367,296	Appropriated State / Federal - National Guard Bureau
(y)	4	H24	South Carolina State University	9658	SC State PSA Building Acquisition (Pee Dee Cluster)	Preliminary Land Acquisition	No	-	20,000	20,000	1,270,000	Federal - USDA Facilities Grant

Project List: SFAA Items - June 30, 2020

SFAA Items - June 30, 2020

SFAA Item	JBRC Agency Code	Agency Name	Project ID	Project Name	Action Proposed	Included in CRIP?	Current Budget	Requested Change	Phase I	Total Phase II Budget	SOF (excludes proposed Phase II if currently seeking Phase I)
(z)	7	H24 - South Carolina State University	9756	SC State PSA Building Acquisition (Midlands Final Land Acquisition Cluster)	Final Land Acquisition	No	20,000	1,420,000	20,000	1,440,000	Federal - USDA Facilities Grant



County of Lexington

County Council
212 South Lake Drive, Suite 601
Lexington, South Carolina 29072
TELEPHONE: (803) 785-8103 FAX: (803) 785-8101

Scotty R. Whetstone
District 1
Chairman

Paul L. Brigham, Jr.
District 2

Darrell Hudson
District 3

Debra B. Summers
District 4
Parliamentarian

Bobby C. Keisler
District 5

Erin Long Bergeson
District 6

Beth A. Carrigg
District 7

Glen M. Conwell
District 8

M. Todd Cullum
District 9
Vice Chairman

June 19, 2020

Dr. Louis Whitesides
VP & Executive Director
South Carolina State University
300 College St. NE
Orangeburg, S.C. 29117

Dr. Whitesides,

The County of Lexington is in receipt of your letter, dated June 3, 2020, requesting a letter of support from the County of Lexington for the purchase of land located at 1801 Charleston Highway, Cayce, S.C. 29033 for the expansion of S.C. State's 1890 Research & Extension program.

The County recognizes that both Lexington School District 2 and the City of Cayce have acknowledged S.C. State's request and have no objection to the purchase of the land at the aforementioned address, which is located within the boundaries of Lexington 2 and the City of Cayce.

Furthermore, the County acknowledges that S.C. State is a non-taxable entity and the purchase of the property would effectively remove the property from future tax rolls. The 2019 tax revenue for this property generated:

• Lexington School District 2:	\$13,935.84
• County of Lexington:	\$5,614.92
• City of Cayce:	\$3,686.56
• Other agencies:	\$1,523.15
• Total:	\$24,942.47

Therefore, the County of Lexington County Council acknowledges S.C. State's intent to purchase the property, as well as the letters submitted by the aforementioned agencies to the S.C. Legislative Joint Bond Review Committee.

Sincerely,

Scott Whetstone,
Lexington County Council Chairman

SCState

1890 RESEARCH & EXTENSION

Innovate. Educate. Elevate.

June 3, 2020

Mr. Joe Mergo, III County Administrator
Lexington County
212 South Lake Drive, Suite 602
Lexington, SC 29072

Dear Mr. Mergo:

I am writing to request a letter of support to the SC Legislative Joint Bond Review Committee for our intent to purchase the property located at 1801 Charleston Highway, Cayce SC 29033.

SC State Public Service Activities (PSA) is planning to provide a regional research and outreach facility to further expand our program to the midlands area.

Our program focuses on 5 program areas designed to assist the citizens of South Carolina with a higher standard of living and a better quality of life. Those focused program areas include: 1) 4-H and Youth Development; 2) Sustainable Agriculture and Natural Resources; 3) Family, Nutrition and Health; 4) Community and Economic Development; and 5) Education Innovation and Support.

These programs and cutting-edge research will be conducted at the Charleston Highway facility. Currently, we are under contract to purchase for \$1,400,000 and have secured federal funding for a full revitalization and rehabilitation of the facility.

Our five-year projections of economic impact to the region include, \$6,800,000 construction impact, \$55,000,000 employment impact, \$75,000,000 in labor income, 100 jobs generated, 1000 jobs supported and \$143,000,000 impact on the cost of operations.

As you can see, we are planning a major investment in the area and we at SC State PSA want to be a great partner for Lexington County to deliver the programs and conduct innovative relevant research that will make South Carolina the best it can be. A more detailed program and project description is enclosed. If you have any additional questions, comments, or concerns, please do not hesitate to contact me. I look forward to our long term partnership. Thank you.

Sincerely,

Louis D. Whitesides

Dr. Louis D. Whitesides, D.B.A.
V.P. & Executive Director
1890 Research & Extension
South Carolina State University

Enclosure

LDW/ds



May 1, 2020

Mrs. Diana Wood, BIC
Wood Realty LLC

Via e-mail - dianawood@woodrealtysc.com

Mrs. Wood:

It is my understanding that South Carolina State University is purchasing property within the boundaries of Lexington School District Two, specifically 1801 Charleston Highway, Cayce, SC. I also understand this property will be used as an 1890 Research and Extension of South Carolina State University.

Lexington School District Two values our partnerships with Higher Education and I feel certain this facility will enhance our relationship with South Carolina State University. As a district, we look forward to working with South Carolina State University to accomplish the mutual goal of educating young people.

Sincerely,

A handwritten signature in black ink that reads "Bill James". The signature is written in a cursive, flowing style.

William B. James, Jr. Ph.D.
Superintendent

Mayor
Elise Partin

Mayor Pro-Tem
Tara S. Almond

Council Members
Phil Carter
Eva Corley
James E. Jenkins

City Manager
Tracy Hegler

Assistant City Manager
James E. Crosland



June 12, 2020

Mr. Joe Mergo, III
Administrator
Lexington County Council
212 South Lake Drive, Suite 602
Lexington, SC 29072

Re: 1801 Charleston Highway, Cayce SC 29033

Dear Mr. Mergo:

It is my understanding that SC State University's Public Service Activities (PSA) is in the process of purchasing property within the boundaries of the City of Cayce, specifically 1801 Charleston Highway, Cayce, SC 29033.

I also understand this property will be used as a community outreach and research center as part of the University's 1890 Research and Extension.

I presented this information to City Council on Thursday, June 11, 2020 and requested their feedback. The City Council has no objections to their location at 1801 Charleston Highway.

Please feel free to contact me, if you should have any questions.

Warm regards,

A handwritten signature in blue ink that reads "Tracy Hegler".

Tracy Hegler, AICP
City Manager
City of Cayce

TH

COUNTY OF LEXINGTON, SOUTH CAROLINA

Current Tax Year					Previous Tax Year				
Classification	Acres/Lots	Taxable Value	X Ratio	= Assessment	Acres/Lots	Taxable Value	X Ratio	= Assessment	
Owner Occupied		0		0		0		0	
Other Property	4.10	1,200,000	.06	72,000	4.10	1,346,014	.06	80,760	
Market Value Ag.		0		0		0		0	
Use Value Ag.		0		0		0		0	

Owner Name: CAYCE PLAZA LLC
 Mailing Address: 1708 OMNI BLVD
 December 31, 2018 Owner: CAYCE PLAZA LLC
 Legal Description: GRANBY OFFICE BUILDING
 Legal Description Cont:
 Property Location: 1801 CHARLESTON HWY

Bill Number: 2019-216775-107
 TMS Number: 005719-06-001
 Tax Year: 2019
 Tax District: District 2 City of Cayce
 Property Type: Real Estate
 Legal Residence: No

Current Tax Year						Previous Tax Year					
2019 Assessment: 72,000						2018 Assessment: 80,760 H/S: 0					
Homestead Assessment: 0						Tax Relief: 0					
Taxing Agency	2019 Millage	2019 Taxes	Homestead Exempt	Tax Credits	Net Taxes	2018 Millage	2018 Taxes	Homestead Exempt	Tax Credits	Net Taxes	
SCHOOL											
School 2 Operations	150.720	10,851.84	0.00	0.00	10,851.84	146.460	11,828.11	0.00	0.00	11,828.11	
School 2 Bonds	79.500	5,724.00	0.00	-2,640.00	3,084.00	79.500	6,420.42	0.00	-2,853.54	3,566.88	
Subtotal School	230.220	16,575.84	0.00	-2,640.00	13,935.84	225.960	18,248.53	0.00	-2,853.54	18,394.99	
Percent Of Total Bill	60.10%				59.87%	60.23%				56.16%	
COUNTY											
County Ordinary	25.274	1,819.73	0.00	0.00	1,819.73	24.166	1,953.26	0.00	0.00	1,953.26	
Law Enforcement	34.354	2,473.49	0.00	0.00	2,473.49	34.354	2,774.43	0.00	0.00	2,774.43	
Indigent Care	0.500	36.00	0.00	0.00	36.00	0.500	40.38	0.00	0.00	40.38	
Library Operations	6.180	444.96	0.00	0.00	444.96	6.180	489.10	0.00	0.00	489.10	
Solid Waste	7.877	567.14	0.00	0.00	567.14	7.877	436.15	0.00	0.00	436.15	
County Notes & Bonds	3.800	273.60	0.00	0.00	273.60	3.700	298.81	0.00	0.00	298.81	
Library Bonds	0.000	0.00	0.00	0.00	0.00	0.000	0.00	0.00	0.00	0.00	
Subtotal County	77.985	5,614.92	0.00	0.00	5,614.92	76.797	5,202.13	0.00	0.00	5,202.13	
Percent Of Total Bill	20.36%				22.51%	20.45%				22.62%	
AGENCY											
Rec & Aging Comm Ops	12.202	878.54	0.00	0.00	878.54	12.202	985.43	0.00	0.00	985.43	
Rec & Aging Comm Bonds	3.600	259.20	0.00	0.00	259.20	3.700	298.81	0.00	0.00	298.81	
Midland Tech Operation	2.956	212.83	0.00	0.00	212.83	2.856	238.73	0.00	0.00	238.73	
Midland Tech Capital	1.397	100.58	0.00	0.00	100.58	1.397	112.82	0.00	0.00	112.82	
Riverbank Park Bonds	1.000	72.00	0.00	0.00	72.00	1.000	80.76	0.00	0.00	80.76	
Riverbank Park Oper.	0.000	0.00	0.00	0.00	0.00	1.088	87.87	0.00	0.00	87.87	
Mental Health	0.000	0.00	0.00	0.00	0.00	0.000	0.00	0.00	0.00	0.00	
Subtotal Agency	21.155	1,523.15	0.00	0.00	1,523.15	21.343	1,804.42	0.00	0.00	1,804.42	
Percent Of Total Bill	5.52%				6.11%	5.96%				6.58%	
MUNICIPAL											
City Of Cayce	53.730	3,868.56	0.00	0.00	3,868.56	49.690	4,012.96	0.00	0.00	4,012.96	
Cayce Budget Deficiency	0.000	0.00	0.00	0.00	0.00	0.000	0.00	0.00	0.00	0.00	
Subtotal Municipal	53.730	3,868.56	0.00	0.00	3,868.56	49.690	4,012.96	0.00	0.00	4,012.96	
Percent Of Total Bill	14.02%				15.51%	13.26%				14.64%	
BILLING TOTALS	383.090	27,882.47	0.00	-2,640.00	24,942.47	374.790	30,268.04	0.00	-2,853.54	27,414.50	

A mortgage company did not request your property tax information. If your property taxes are paid through escrow, you are responsible for providing them with this information.

If this is your full time legal residence, you may qualify for property tax relief. For more information, contact the Assessor's Office at (803) 785-8190.

You may qualify for the Homestead Exemption if you meet any one of the following requirements: Over age 65, certified as 100% disabled or certified as legally blind. Property must be the full time legal residence of applicant and applicant must have been a SC resident for one full calendar year. For more information, visit us at www.lex-co.sc.gov/auditor or contact the Lexington County Auditor's Office at (803)785-8181.

Credit card payments are accepted at the counter and online at www.lex-co.sc.gov. Electronic checks accepted online only. Convenience fees apply to all tax payments made with a credit card or electronic check.

↓ Detach Here

Detach Here ↓

Rev: 1 06/03/2020
 Printed: 06/19/2020

COUNTY OF LEXINGTON, SOUTH CAROLINA
 OFFICIAL RECEIPT UPON VALIDATION

Bill Number 2019-216775-107

Pay This Amount

TMS #: 005719-06-001
 Type: Real Estate
 Tax Year: 2019
 District: District 2 City of Cayce
 Description: GRANBY OFFICE BUILDING
 Description Cont:
 Land: 18,000
 Improvement: 54,000
 Total Assessment: 72,000
 L/R: No R/S: No

Due Date for Payment:	Amount
01/15/2020	24,942.47
3% Penalty from 01/16/2020 Thru 02/03/2020	25,690.74
10% Penalty from 02/04/2020 Thru 03/16/2020	27,436.72
15% Penalty & Cost From 03/17/2020 Thru 04/30/2020	28,713.84
Additional Execution Cost After 04/30/2020	28,743.84
Additional Execution Cost After 07/31/2020	28,793.84

Return this portion with payment and make checks payable to: County of Lexington

CAYCE PLAZA LLC
 1708 OMNI BLVD
 MOUNT PLEASANT SC 29466

PAID

Paid on: 06/05/2020
 Amount Paid: 24,942.47

1921677510700024942472001150002569074200203000274367220031600028713841

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easement

The Department of Administration requests consideration for approval of the following easement between South Carolina Educational Television and Duke Energy Carolinas, LLC. in accordance with SC Code of Laws:

- (a) County Location: Greenville
From: Department of Administration
To: Duke Energy Carolinas, LLC
Consideration: \$1
Description/Purpose: To grant a 3.76 acre permanent easement, together with the right of ingress and egress, for the purpose of constructing, reconstructing, operating, patrolling, maintaining, inspecting, repairing, replacing, relocating, adding, modifying and removing electric lines and facilities on property controlled by the South Carolina Educational Television Commission (SCETV). The easement will contain the State's standard reverter language that if the easement holder ceases to use the easement for its intended purpose, it will terminate. The easement is being sought by SCETV for the benefit of the property. The Division of Facilities Management and Property Services has determined that SCETV has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.

AUTHORITY ACTION REQUESTED:

Approve granting the referenced easement between the South Carolina Educational Television and Duke Energy Carolinas, LLC as recommended by the Department of Administration, Facilities Management and Property Services.

ATTACHMENTS:

Agenda item worksheet and attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 30, 2020

Regular Agenda

1. Submitted by:

(a) Agency: Department of Administration,
Division of Facilities Management
and Property Services

(b) Authorized Official Signature:



Ashlie Lancaster, Director

2. Subject:

EASEMENT

3. Summary Background Information:

The Department of Administration requests consideration of the following easement in accordance with SC Code of Laws:

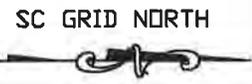
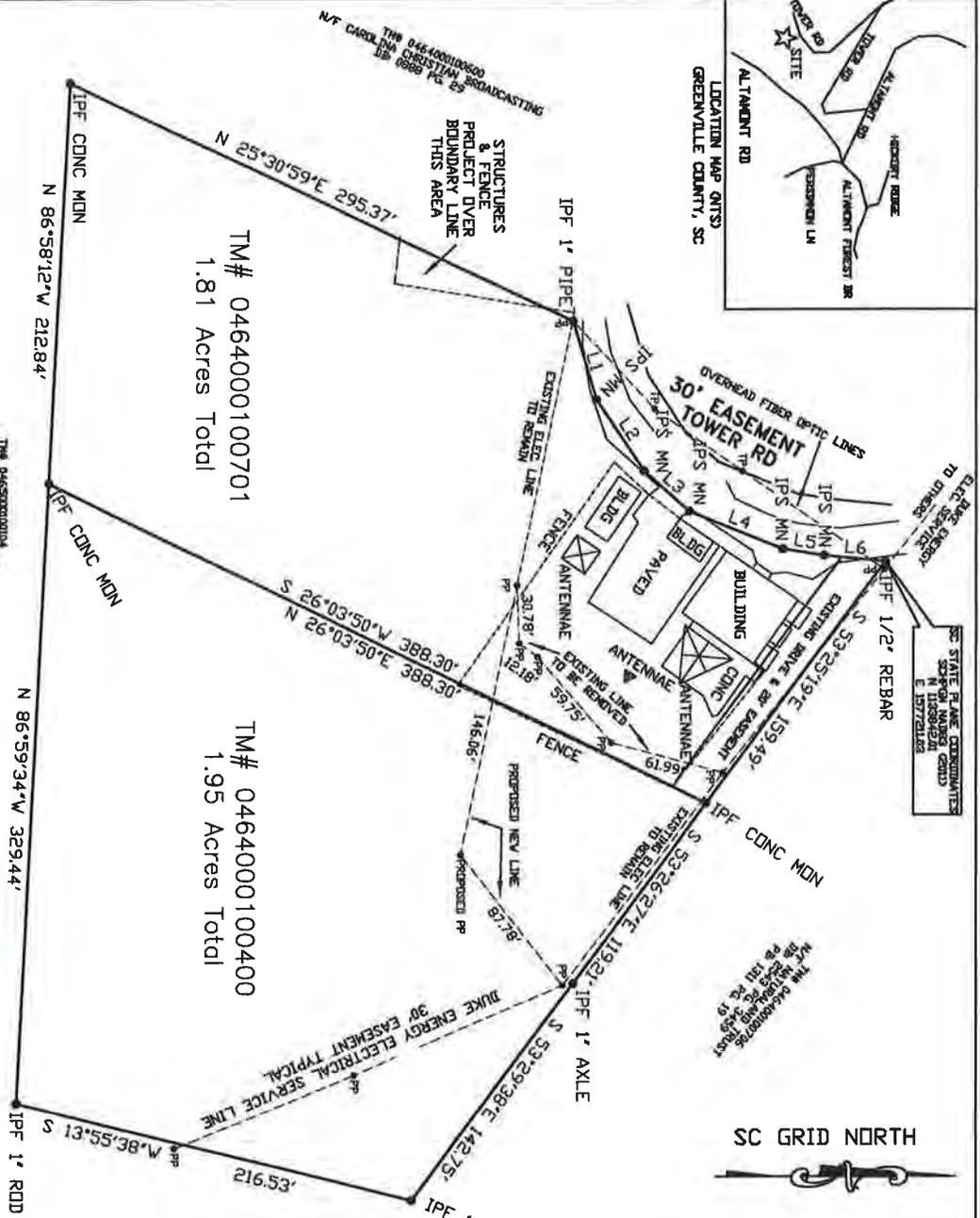
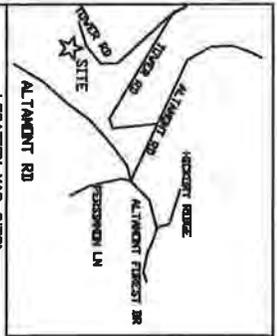
- | | |
|----------------------|--|
| (a) County Location: | Greenville |
| From: | Department of Administration |
| To: | Duke Energy Carolinas, LLC |
| Consideration: | \$1 |
| Description/Purpose: | To grant a 3.76 acre permanent easement, together with the right of ingress and egress, for the purpose of constructing, reconstructing, operating, patrolling, maintaining, inspecting, repairing, replacing, relocating, adding, modifying and removing electric lines and facilities on property controlled by the South Carolina Educational Television Commission (SCETV). The easement will contain the State's standard reverter language that if the easement holder ceases to use the easement for its intended purpose, it will terminate. The easement is being sought by SCETV for the benefit of the property. The Division of Facilities Management and Property Services has determined that SCETV has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it. |
-

4. What is the Authority asked to do? Approve the referenced easement.

5. What is recommendation of the Department of Administration? Recommend approval of the referenced easement.

6. List of Supporting Documents:

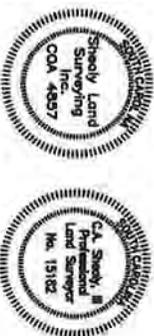
1. SC Code of Laws Sections 1-11-70, 1-11-80, 1-11-100 and 10-1-130
2. Easement Plat



Course	Bearing	Distance
L1	N 73°35'40" E	43.40'
L2	N 56°25'20" E	45.62'
L3	N 41°07'53" E	32.50'
L4	N 22°03'04" E	53.62'
L5	N 08°59'37" E	22.18'
L6	N 05°39'48" E	32.63'

3.76 ACRES TOTAL
 SURVEY FOR
 SC EDUCATIONAL TELEVISION COMMISSION
 PROPERTY LOCATED ON TOWER RD
 GREENVILLE, SOUTH CAROLINA
 REFERENCES: D.B. 0712 PG. 541
 D.B. 0253 PG. 285 ; P.B. FF PG. 66
 P.B. N PG.191
 SURVEYED MARCH 26 - APRIL 2, 2020
 REVISED 5-11-2020
 PROJECT NO. 200326

- NOTE: 1. EXISTING SERVICE OF RECORD / NO NEW EXISTING LINES
 2. AREA DETERMINED BY DATA METHOD
 3. PROPERTY NOT BE SUBJECT TO RECORDING
 4. THIS SURVEY SUBJECT TO ANY FACTS THAT WOULD AFFECT THE TITLE AND ACCORDING TITLE SERVICE TO RECORD OR TITLE
 5. THIS SURVEY IS BASED ON THE GENERAL UNADJUSTED DATA AND SPACING
 6. THIS SURVEY IS BASED ON THE GENERAL UNADJUSTED DATA AND SPACING
 7. ALL WORK IS DONE IN ACCORDANCE WITH THE SURVEYING PRACTICE MANUAL FOR SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS A SURVEY AS SPECIFIED THEREIN.



I hereby state that to the best of my professional knowledge, information, and belief, the survey shown hereon was made in accordance with the requirements of the Standard of Practice Manual for Surveying in South Carolina, and meets or exceeds the requirements for a Class A survey as specified therein.

C.A. SHEALY, III
 SCPLS 15182
 SHEALY LAND SURVEYING INC.
 PO BOX 248
 PROSPERITY, SC 29127
 803-364-3020

TM# 0464000100701
 1.81 Acres Total

TM# 0464000100400
 1.95 Acres Total



SOUTH CAROLINA CODE OF LAWS

SECTION 1-11-70. Lands subject to Department's control.

All vacant lands and lands purchased by the former land commissioners of the State are subject to the directions of the Department of Administration.

SECTION 1-11-80. Department authorized to grant easements for public utilities on vacant State lands.

The Department of Administration, upon approval of the State Fiscal Accountability Authority, is authorized to grant easements and rights of way to any person for construction and maintenance of power lines, pipe lines, water and sewer lines and railroad facilities over, on or under such vacant lands or marshland as are owned by the State, upon payment of the reasonable value thereof.

SECTION 1-11-100. Execution of instruments conveying rights of way or easements over marshlands or vacant lands.

Deeds or other instruments conveying such rights of way or easements over such marshlands or vacant lands as are owned by the State shall be executed by the Governor in the name of the State, when authorized by the Department of Administration, upon approval of the State Fiscal Accountability Authority, and when duly approved by the office of the Attorney General; deeds or other instruments conveying such easements over property in the name of or under the control of State agencies, institutions, commissions or other bodies shall be executed by the majority of the governing body thereof, shall name both the State of South Carolina and the institution, agency, commission or governing body as grantors, and shall show the written approval of the Director of the Department of Administration and the State Fiscal Accountability Authority.

SECTION 10-1-130. Grant of easements and rights of way.

The trustees or governing bodies of state institutions and agencies may grant easements and rights of way over any property under their control, upon the recommendation of the Department of Administration and approval of the State Fiscal Accountability Authority, whenever it appears that such easements do not materially impair the utility of the property or damage it and, when a consideration is paid therefor, any amounts must be placed in the State Treasury to the credit of the institution or agency having control of the property involved.

AGENCY: State of South Carolina State Transportation Infrastructure Bank

SUBJECT: Issuance and Sale of Not Exceeding \$11,000,000 General Obligation State Transportation Infrastructure Refunding Bonds, Series 2020A

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$11,000,000 General Obligation State Transportation Infrastructure Refunding Bonds, Series 2020A.

The proceeds of the bonds will be used for the purposes of (i) refunding certain Transportation Infrastructure Bonds heretofore issued and outstanding, and (ii) pay, including reimbursement to the SCTIB, for expenses related to the issuance of certain Transportation Infrastructure Refunding Bonds.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$11,000,000 General Obligation State Transportation Infrastructure Refunding Bonds, Series 2020A.

ATTACHMENTS:

Foley June 3, 2020 letter; Resolution; NDIF

Rion Foley
rfoley@burr.com
Direct Dial: (843) 973-6827
Direct Fax: (843) 805-6569

Burr & Forman, LLP
100 Calhoun Street
Suite 400
Charleston, SC 29401

Mailing Address
Post Office Box 1431
Charleston, SC 29402

Office: (843) 723-7831

Fax: (843) 722-3227

BURR.COM

June 3, 2020

Via Fedex and Email

Mr. Delbert H. Singleton, Jr.
Secretary
State Fiscal Accountability Authority
601 Wade Hampton Office Building
Columbia, SC 29201

Re: Proposed Not Exceeding \$11,000,000 South Carolina General Obligation State
Transportation Infrastructure Refunding Bonds, Series 2020A

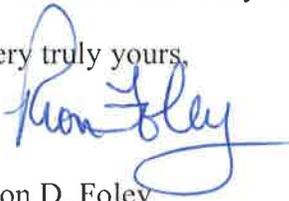
Dear Delbert:

Enclosed is a Transmittal Form, Revenue Bonds, for a proposed issue of a series of bonds by the State of South Carolina (State Transportation Infrastructure Bank), together with a Resolution of the State Transportation Infrastructure Bank, and other required documentation.

Note, this is the same item that was pulled from the May 12, 2020 SFAA agenda because the JBRC meeting had been cancelled.

Please let us know if you have questions or need additional documentation.

Very truly yours,



Rion D. Foley

RDF/mpc
Enclosure

cc: Kevin Kibler
Robert MacDonald, III
William Youngblood, Esq.

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: June 3, 2020

Submitted for SFAA Meeting on:

June 30, 2020

FROM:

Burr Forman McNair LLP
Name of Law Firm

RE:

Not Exceeding \$11,000,000
Amount of Issue

P.O. Box 1431
Street Address/Box Number

State of South Carolina
Name of Issuing Authority

Charleston, SC 29402
City, State, Zip Code

General Obligation State Transportation
Infrastructure Refunding Bonds
Type of Bonds or Notes

(843) 723-7831
Area Code/Telephone Number

July, 2020
Projected Issue Date

Project Name: General Obligation State Transportation Infrastructure Refunding Bonds, Series 2020A

Project Description: General Obligation State Transportation Infrastructure Refunding Bonds,
Series 2020A

Employment as a result of the project: N/A

Ceiling Allocation Required Refunding Involved Project Approved Previously
Yes (\$) X No X Yes (\$) No Yes (\$) X No
Amount Amount Amount
NOT EXCEEDING

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 (provide detailed information on project owners, e.g., LLPs/LLCs/LPs)
B. X Resolution or Ordinance
C. Inducement Resolution or comparable preliminary approval
D. N/A Department of Health and Environmental Control Certificate if required
E. X State Fiscal Accountability Authority Resolution and Public Notice (original)
Plus 6 copies for certification and return to bond counsel
F. X Draft bond counsel opinion letter
G. N/A Processing Fee
Amount: \$ Check No:
Payor:

Bond Counsel: Ryan D. Foley
Special Name of Bond Counsel

By: [Signature]
Signature

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING ELEVEN MILLION DOLLARS (\$11,000,000) GENERAL OBLIGATION STATE TRANSPORTATION INFRASTRUCTURE REFUNDING BONDS, SERIES 2020A, OF THE STATE OF SOUTH CAROLINA, TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

ADOPTED ON JUNE 30, 2020

TABLE OF CONTENTS

Page

ARTICLE I
FINDINGS OF FACT

Section 1.1	General Findings of Authorization.....	1
Section 1.2	Findings Required by the Enabling Act	1
Section 1.3	Determination of Amount of Bonds Required	2
Section 1.4	Provisions Relating to Debt Limitations	3
Section 1.5	Determination of Compliance with Debt Limitation	3
Section 1.6	Determination of Amount of Bonds Herein Authorized	3

ARTICLE II
DEFINITIONS AND CONSTRUCTION

Section 2.1	Definitions.....	4
Section 2.2	Construction	6

ARTICLE III
ISSUANCE OF BONDS

Section 3.1	Direction to Governor and State Treasurer	6
Section 3.2	Ordering the Issuance of Bonds Principal Amount.....	6
Section 3.3	Maturity Schedule of Bonds.....	7
Section 3.4	Provision For Payment of Interest on the Bonds.....	7
Section 3.5	Medium of Payment Form and Denomination of Bonds; Place of Payment of Principal...7	
Section 3.6	Agreement to Maintain Registrar and Paying Agent	7
Section 3.7	Execution and Authentication	8
Section 3.8	Exchange of Bonds	8
Section 3.9	Transferability and Registry	8
Section 3.10	Transfer of Bonds.....	8
Section 3.11	Regulations with Respect to Exchanges and Transfers	9
Section 3.12	Mutilated, Destroyed, Lost and Stolen Bonds.....	9
Section 3.13	Holder As Owner of Bond	9
Section 3.14	Cancellation of Bonds	10
Section 3.15	Payments Due on Saturdays, Sundays and Holidays	10
Section 3.16	Conditions Relating to Naming of Interest Rates.....	10
Section 3.17	Tax Exemption in South Carolina.....	10
Section 3.18	Pledge of Full Faith, Credit and Taxing Power.....	10
Section 3.19	SCTIB Funds.....	11
Section 3.20	Bonds Issued in Book-Entry Only Form.....	11
Section 3.21	Form of Bonds.....	12

ARTICLE IV
REDEMPTION OR PURCHASE OF BONDS; REDEMPTION OF REFUNDED BONDS

Section 4.1	Authorization of Redemption	12
Section 4.2	State’s Election to Redeem	12
Section 4.3	Notice of Redemption	13
Section 4.4	Selection by Registrar of Bonds to Be Redeemed	13
Section 4.5	Deposit of Redemption Price	14
Section 4.6	Partial Redemption of Bonds	14
Section 4.7	Purchases of Bonds Outstanding.....	14
Section 4.8	Redemption of Refunded Bonds	14

ARTICLE V
SALE OF BONDS

Section 5.1	Determination of Time to Receive Bids; Form of Notice of Sale	14
Section 5.2	Award of Bonds	15
Section 5.3	Official Statement	15
Section 5.4	Combined Sales.....	15

ARTICLE VI
DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 6.1	Disposition of Bond Proceeds	15
-------------	------------------------------------	----

ARTICLE VII
DEFEASANCE OF BONDS

Section 7.1	Discharge of Resolution; Where and How Bonds Are Deemed to Have Been Paid and Defeased.....	16
Section 7.2	Notice of Defeasance	17

ARTICLE VIII
CONCERNING THE FIDUCIARIES

Section 8.1	Fiduciary; Appointment and Acceptance of Duties	17
Section 8.2	Responsibilities of Fiduciaries	17
Section 8.3	Evidence on Which Fiduciaries May Act	17
Section 8.4	Compensation.....	18
Section 8.5	Certain Permitted Acts	18
Section 8.6	Resignation of Any Fiduciary	18
Section 8.7	Removal of Fiduciary.....	18
Section 8.8	Appointment of Successor Fiduciaries.....	18
Section 8.9	Transfer of Rights and Property to Successor	19
Section 8.10	Merger or Consolidation	19
Section 8.11	Adoption of Authentication.....	19

ARTICLE IX
FEDERAL TAX CONSIDERATIONS

Section 9.1	Compliance with the Code	19
Section 9.2	Tax Representations and Covenants	20
Section 9.3	Arbitrage Bonds	20

ARTICLE X
MISCELLANEOUS

Section 10.1	Failure to Present Bonds	21
Section 10.2	Severability of Invalid Provisions	21
Section 10.3	Resolution to Constitute Contract	21
Section 10.4	Execution of Closing Documents and Certificates.....	22
Section 10.5	Filing of Copies of Resolution	22
Section 10.6	Benefits of Resolution Limited to the State and Holders of the Bonds.....	22
Section 10.7	No Personal Liability	22
Section 10.8	Continuing Disclosure.....	22
Section 10.9	Law and Place of Enforcement of the Resolution.....	23
Section 10.10	Effect of Article and Section Headings and Table of Contents.....	23
Section 10.11	Repeal of Inconsistent Resolutions	23
Section 10.12	Effectiveness of this Resolution.....	23

EXHIBIT A Pro Forma Debt Service Requirements of Not Exceeding \$11,000,000 General Obligation State Transportation Infrastructure Refunding Bonds, Series 2020A, of the State of South Carolina, at Prevailing Rates of Interest

EXHIBIT B Schedule Showing Pro Forma Total Principal and Interest Requirements of All General Obligation Debt Subject to Constitutional and Statutory Limitations of Five Percent (5%) Including the Proposed Series 2020A Bonds at Prevailing Rates of Interest and After Giving Effect to the Defeasance of the Refunded Bonds

EXHIBIT C Form of Proposed Bonds

EXHIBIT D Form of Official Notice of Sale

EXHIBIT E Form of Continuing Disclosure Undertaking

EXHIBIT F Form of Escrow Deposit Agreement

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING ELEVEN MILLION DOLLARS (\$11,000,000) GENERAL OBLIGATION STATE TRANSPORTATION INFRASTRUCTURE REFUNDING BONDS, SERIES 2020A, OF THE STATE OF SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

ARTICLE I FINDINGS OF FACT

As an incident to the adoption of this resolution (this "Resolution") and the issuance of the refunding bonds provided for herein, the South Carolina State Fiscal Accountability Authority (the "State Board") finds that the facts set forth in this Article exist, and that the statements made with respect thereto are true and correct. Capitalized terms used and not otherwise defined herein have the meanings given to such terms in Article II of this Resolution.

Section 1.1 General Findings of Authorization.

(a) Upon request of the Board of Directors (the "Board of Directors") of the South Carolina Transportation Infrastructure Bank (the "SCTIB"), and after review and approval by the Joint Bond Review Committee (the "JBRC"), the State Board is authorized by Chapter 43, Title 11 of the Code of Laws of South Carolina, 1976, as amended (the "Enabling Act") to make provision for the issuance of General Obligation State Transportation Infrastructure Bonds, including General Obligation State Transportation Infrastructure Refunding Bonds (the "Transportation Infrastructure Bonds" or "Transportation Infrastructure Refunding Bonds").

(b) Pursuant to the provisions of a resolution adopted by the Board of Directors on April 2, 2020 (the "Board Resolution"), the Board of Directors has requested the State Board to authorize the Governor of the State of South Carolina (the "Governor") and the State Treasurer (as defined herein) to issue Transportation Infrastructure Refunding Bonds pursuant to the Enabling Act in the aggregate principal amount of not exceeding \$11,000,000 to (1) refund certain Transportation Infrastructure Bonds heretofore issued and outstanding, and (2) pay, including reimbursement to the SCTIB, for expenses related to the issuance of certain Transportation Infrastructure Refunding Bonds.

(c) The JBRC has approved the issuance of not exceeding \$11,000,000 Transportation Infrastructure Refunding Bonds for the purposes authorized herein.

(d) By the provisions of Sections 11-21-10 *et seq.* of the Code of Laws of South Carolina, 1976, as amended, the State of South Carolina (the "State") and its agencies are permitted to issue general obligation bonds for the purpose of advance refunding any of their outstanding general obligation bonds in such amounts as shall be required therefor. It is provided by Section 11-21-20 of the South Carolina Code that the provisions of Title 11, Chapter 15, Article 5 of the South Carolina Code may be utilized for such purpose.

Section 1.2 Findings Required by the Enabling Act.

The State Board makes the following findings pursuant to the Enabling Act in connection with the request of the SCTIB for the issuance of the Bonds (as defined herein):

(a) The Bonds will be issued in the aggregate principal amount of not exceeding \$11,000,000, in denominations of \$5,000 or any integral multiple thereof, and will be numbered from R-1 upwards.

(b) The Bonds shall be dated the Dated Date (as defined herein).

(c) The proposed maturity schedule of the Bonds and a proforma debt service schedule of the Bonds are set forth on Exhibit A attached hereto.

(d) The method of providing the proposed redemption provisions of the Bonds is set forth in Section 4.1 hereof,

(e) The rate of interest that the Bonds shall bear shall not exceed five percent (5%), per annum.

(f) The proceeds of the Bonds will be used as provided in Section 1.1(b) above.

(g) The bids for the Bonds shall be received by the Governor and the State Treasurer at a time to be determined by them.

(h) The Bonds shall be in substantially the form as attached hereto as Exhibit C.

(i) The Official Notice of Sale shall be in substantially the form as attached hereto as Exhibit D.

(j) Upon the issuance of the Bonds, it anticipated that substantial debt service savings will be achieved.

(k) The State Board finds that the SCTIB Funds (as defined herein) are projected to be sufficient to pay the principal and interest on the Bonds.

(l) The State Board has made the findings required by the Enabling Act and has accepted the Board Resolution as proposed by the Board of Directors.

Section 1.3 Determination of Amount of Bonds Required.

A review of debt service requirements with respect to currently outstanding Transportation Infrastructure Bonds issued on behalf of the SCTIB and prevailing market conditions indicates that substantial debt service savings would be achieved through the refunding of portions or all of certain presently outstanding Transportation Infrastructure Bonds issued on behalf of the SCTIB, including without limitation, portions or all of the now outstanding principal maturities of the originally issued \$60,000,000 General Obligation State Transportation Infrastructure Bonds, Series 2004A (the "Refunded Bonds").

The principal amount of refunding bonds required to redeem or defease the Refunded Bonds cannot be determined with precision prior to the sale of the proposed refunding bonds. It is currently estimated that an amount not exceeding \$11,000,000 of refunding bonds would be required to redeem or defease the Refunded Bonds. Such amount may vary, either upward or downward, depending on market conditions on the date such refunding bonds are offered for sale. The State Board has determined that substantial debt service savings may be achieved through the issuance of refunding bonds in an amount not exceeding \$11,000,000, and has determined to authorize the issuance of such amount of refunding bonds (the "Bonds"), the final amount to be determined by the State Treasurer in accordance with Section 3.2 hereof upon the receipt of bids for the Bonds. A table illustrative of such savings will be prepared and included as a closing document at the delivery of the Bonds.

Section 1.4 Provisions Relating to Debt Limitations.

The Enabling Act provides that the Transportation Infrastructure Bonds must be issued in compliance with the applicable constitutional and statutory provisions relating to maximum annual debt service, Article X, Section 13, Paragraph 6, Subparagraph (c) of the Constitution of the State of South Carolina, as amended (the “South Carolina Constitution”), provides that the maximum annual debt service on all general obligation debt of the State (which includes Transportation Infrastructure Bonds, but excludes State Highway Bonds, State Institution Bonds, Tax Anticipation Notes, and Bond Anticipation Notes) must not exceed five percent (5%) of the general revenues of the State for the Fiscal Year (as defined herein) next preceding the Fiscal Year in which the debt is incurred (excluding revenues which are authorized to be pledged for State Highway Bonds and State Institution Bonds). The Enabling Act also incorporates the five percent (5%) constitutional limitation.

Section 1.5 Determination of Compliance with Debt Limitation.

Insofar as the constitutional and statutory limitation on the issuance of Transportation Infrastructure Bonds is concerned during the Fiscal Year ending June 30, 2019, the five percent (5%) limitation referred to above is applied to general revenues of the State for the Fiscal Year ended June 30, 2019 (excluding revenues authorized to be pledged to State Highway Bonds and State Institution Bonds). The State Auditor will certify that the amount of general revenues of the State for the Fiscal Year ended June 30, 2019 (excluding revenues authorized to be pledged to State Highway Bonds and State Institution Bonds), was not less than \$8,792,673,467. Five percent (5%) of the foregoing figure, which is the statutory and constitutional debt limitation relating to State general obligation debt (excluding State Highway Bonds and State Institution Bonds), is not less than the sum of \$439,633,673. In the event that the issuance of the Bonds occurs after June 30, 2019, the State Treasurer is authorized to certify compliance with these constitutional and statutory limitations in consultation with the State Auditor.

Attached as Exhibit A to this Resolution is a pro forma schedule showing total debt service requirements on the Bonds at prevailing rates of interest. Attached as Exhibit B to this Resolution is a pro forma schedule showing total debt service on all general obligation debt subject to the limitation imposed by Article X, Section 13, Paragraph 6, Subparagraph (c) of the South Carolina Constitution to be outstanding following the issuance of the Bonds with interest thereon calculated at prevailing rates of interest. Exhibit B indicates that the maximum annual debt service on all bonds subject to the constitutional and statutory five percent (5%) limitation following the issuance of the Bonds is \$20,723,701. For purposes of determining compliance with the five percent (5%) limitation described above, \$20,723,701 does not exceed five percent (5%) of \$8,792,673,467, the amount of general revenues of the State which must be exceeded to maintain compliance with the constitutional and statutory limitations on the issuance of General Obligation State Transportation Infrastructure Bonds. Therefore, the State Board has determined that, assuming the Bonds bear interest not significantly in excess of prevailing rates of interest, the Bonds may be issued within the constitutional and statutory five percent (5%) limitation. In the event that the issuance of the Bonds occurs after June 30, 2019, the State Treasurer is authorized to certify compliance with these constitutional and statutory limitations in consultation with the State Auditor.

Section 1.6 Determination of Amount of Bonds Herein Authorized.

The State Board finds that it is necessary to raise an amount not to exceed \$11,000,000 at this time in order to provide funds which will be used to effect the refunding the Refunded Bonds and pay the costs of issuance of the Bonds.

ARTICLE II
DEFINITIONS AND CONSTRUCTION

Section 2.1 Definitions.

As used in this Resolution unless the context otherwise requires, the following terms shall have the following respective meanings:

“Authorized Investments” means and includes any securities that are at the time legal for investment of the State’s funds.

“Authorized Officer” means the Governor, the Secretary of State and the State Treasurer, a deputy or Assistant State Treasurer, and any other officer or employee of the State designated from time to time by the State Treasurer as an Authorized Officer, and when used with reference to any act or document also means any other person authorized by resolution of the State Board to perform such act or sign such document.

“Bond” or “Bonds” means any of the General Obligation State Transportation Infrastructure Refunding Bonds, Series 2020A, authorized by this Resolution.

“Bondholder” or “Holder” or “Holders of Bonds” or “Owner” or similar term means, when used with respect to a Bond or Bonds, any person who shall be registered as the owner of any Bond Outstanding.

“Bond Payment Date” means each date determined by the State Treasurer on which interest on any of the Bonds shall be payable or on which both the Principal Installment and interest shall be payable on any of the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Undertaking” means that undertaking which is to be executed by the State Treasurer in form substantially similar to that appearing as Exhibit E hereto, and delivered at or prior to the closing of the Bonds as required by Securities and Exchange Commission Rule 15c2-12, as amended, and as such undertaking may be from time to time amended in accordance with the terms thereof,

“Corporate Trust Office”, when used with respect to any Paying Agent, Registrar, or Escrow Agent means the office at which its principal corporate trust business shall be administered.

“Dated Date” means such date as the State Treasurer shall determine to be the date of issue of the Bonds.

“Enabling Act” means Chapter 43, Title 11 of the Code of Laws of South Carolina, 1976, as amended.

“Escrow Agent” means the entity or entities, as the case may be, designated by the State Treasurer to serve as escrow agent or escrow agents in connection with the defeasance of the Refunded Bonds or the Bonds. The form of an escrow deposit agreement is attached in substantially the form as Exhibit F hereto.

“Fiduciary” means the Paying Agent, the Registrar, and any Escrow Agent and their successors and assigns.

“Fiscal Year” means the period of twelve (12) calendar months, beginning July 1 of each year and ending on June 30 of the next year.

“Government Obligations” means and includes direct general obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America.

“Outstanding”, when used in this Resolution with respect to the Bonds, means, as of any date, all Bonds theretofore authenticated and delivered pursuant to this Resolution except:

- (i) any Bond cancelled or delivered to the Registrar for cancellation on or before such date;
- (ii) any Bond (or any portion thereof) deemed to have been paid in accordance with the provisions of Section 7.1 hereof; and
- (iii) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to Section 3.12 hereof.

“Paying Agent” means any bank, trust company, or national banking association which is authorized to pay the principal of or interest on any Bonds and having the duties, responsibilities and rights provided for in this Resolution, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Resolution. The institution named as Paying Agent may also act as Registrar.

“Person” means an individual, a partnership, a corporation, a trust, a trustee, an unincorporated organization, or a government or an agency or political subdivision thereof.

“Principal Installment” means, as of any date of calculation, the principal amount of all Bonds due on a specified date.

“Private Business Use” means “private business use” as that term is defined in Section 141 of the Code, any successor provision and any regulations promulgated thereunder.

“Record Date” means the 15th day immediately preceding each Bond Payment Date.

“Redemption Price” when used with respect to a Bond or portion thereof to be redeemed, means the principal amount of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to this Resolution.

“Refunding Act” means both the Enabling Act and Chapter 21, Title 11, Code of Laws of South Carolina, 1976, as amended.

“Registrar” means any bank, trust company, or national banking association which is authorized to maintain an accurate list of those who from time to time shall be the Holders of the Bonds and shall effect the exchange and transfer of the Bonds in accordance with the provisions of this Resolution and having the duties, responsibilities, and rights provided for in this Resolution and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Resolution. The institution named as Registrar may also act as Paying Agent.

“Resolution” means this Resolution as the same may be amended or supplemented from time to time in accordance with the terms hereof.

“SCTIB” means the South Carolina Transportation Infrastructure Bank, a body corporate and politic and an instrumentality of the State created pursuant to the provisions of the Enabling Act.

“SCTIB Funds” means the funds payable to SCTIB from Charleston County, South Carolina and the South Carolina State Ports Authority to the same extent such funds were pledged to the payment of the Refunded Bonds.

“Series” or “Series of Bonds” means a series of Bonds issued pursuant to the authorizations of the Refunding Act and this Resolution.

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

“State” means the State of South Carolina.

“State Board” means the South Carolina State Fiscal Accountability Authority.

“State Request” means a written request of the State signed by an Authorized Officer. “State Treasurer” means the Treasurer of the State of South Carolina.

Section 2.2 Construction.

In this Resolution, unless the context otherwise requires:

(a) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Resolution,

(b) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms refer to this Resolution, and the term “hereafter”, shall mean after, and the term “heretofore” shall mean before, the date of adoption of this Resolution.

(c) Words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and *vice versa*.

(d) Any Fiduciary shall be deemed to hold an Authorized Investment in which money is invested pursuant to the provisions of this Resolution, even though such Authorized Investment is evidenced only by a book entry or similar record of investment,

ARTICLE III ISSUANCE OF BONDS

Section 3.1 Direction to Governor and State Treasurer.

The Governor and the State Treasurer are hereby directed to effect the issuance of not to exceed \$11,000,000 principal amount of General Obligation State Transportation Infrastructure Refunding Bonds in accordance with the provisions of this Resolution.

Section 3.2 Ordering the Issuance of Bonds Principal Amount.

Pursuant to the provisions of the Refunding Act, and for the purpose of refunding the Refunded Bonds described in. Section 1.3 hereof, there shall be issued not exceeding eleven million dollars

(\$11,000,000) aggregate principal amount general obligation bonds of the State, designated "General Obligation State Transportation Infrastructure Refunding Bonds, Series 2020A", Notwithstanding the foregoing, however, the State Treasurer may, in his discretion, modify the Series designation of the Bonds herein authorized as appropriate and, in such event, all references to the Bonds herein shall be deemed to reference such modified Series designation. The final principal amount of the Bonds shall be determined by the State Treasurer.

Section 3.3 Maturity Schedule of Bonds.

The Bonds shall mature in each of the Fiscal Years and in the principal amounts determined by the State Treasurer, provided that the aggregate principal amount of Bonds issued hereunder does not exceed \$11,000,000. The Bonds shall bear interest at rates determined in the manner prescribed by Section 3.16 hereof.

Section 3.4 Provision For Payment of Interest on the Bonds.

The Bonds shall be authenticated on such dates as they shall, in each case, be delivered. The Bonds shall bear interest from the Bond Payment Date to which interest has been paid next preceding the authentication date thereof, unless the authentication date thereof is a Bond Payment Date, in which case, from such authentication date, or if authenticated prior to the first Bond Payment Date for the Bonds, then from the Dated Date. The interest to be paid on any Bond Payment Date shall be paid to the Person in whose name such Bond is registered at the close of business, on the Record Date next preceding such Bond Payment Date.

Section 3.5 Medium of Payment Form and Denomination of Bonds; Place of Payment of Principal.

(a) The Bonds shall be payable as to Principal Installment and interest at the rates per annum determined in the manner prescribed by Section 3.16 hereof (on the basis of a 360-day year of twelve 30-day months) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b) The Bonds shall be issued in the form of fully registered Bonds. The Bonds shall be issued in the denomination of \$5,000 or any whole multiple thereof not exceeding the principal amount of the Bonds maturing in such year. The Bonds shall be numbered from R-1 upwards in such fashion as to maintain a proper record thereof.

(c) The Principal Installment of all Bonds shall be payable at the Corporate Trust Office of the Paying Agent and payment of the interest on each Bond shall be made by the Paying Agent to the Person appearing on each Record Date on the registration books of the State, which books shall be held by the Registrar as provided in Section 3.9 hereof, as the registered owner thereof, by check or draft mailed to such registered owner at his address as it appears on such registration books in sufficient time to reach such registered owner on the Bond Payment Date. Payment of the Principal Installment of all Bonds shall be made upon the presentation and surrender for cancellation of such Bonds as the same shall become due and payable.

Section 3.6 Agreement to Maintain Registrar and Paying Agent.

As long as any of the Bonds remain Outstanding, there shall be a Registrar and a Paying Agent, each of which shall be a financial institution maintaining Corporate Trust Offices where (i) the Bonds may be presented for registration of transfers and exchanges, (ii) notices and demands to or upon the State in

respect of the Bonds may be served, and (iii) the Bonds may be presented for payment, exchange and transfer. The State Treasurer is hereby authorized to determine the institution which shall initially exercise the functions of Registrar, Paying Agent and Escrow Agent (if applicable).

Section 3.7 Execution and Authentication.

(a) The Bonds shall be executed in the name and on behalf of the State by the manual or facsimile signatures of the Governor and of the State Treasurer, attested by the manual or facsimile signature of the Secretary of State with the Great Seal of the State (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon, Bonds bearing the manual or facsimile signature of any Person who shall have held such office at the time such Bonds were so executed shall bind the State notwithstanding the fact that he may have ceased to be such officer prior to the authentication and delivery of such Bonds or was not such officer at the date of the authentication and delivery of the Bonds.

(b) No Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such Bond a certificate of authentication in substantially the form set forth on the Bond attached to this Resolution as Exhibit D, duly executed by the manual signature of the Registrar and such certificate of authentication upon any Bond executed on behalf of the State shall be conclusive evidence that the Bond so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of this Resolution.

Section 3.8 Exchange of Bonds.

Bonds, upon surrender thereof at the Corporate Trust Office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered Holder or his duly authorized attorney, may, at the option of the registered Holder thereof, be exchanged for an equal aggregate principal amount of Bonds in authorized denominations of the same interest rate and maturity. So long as any of the Bonds remain Outstanding, the State shall make all necessary provisions to permit the exchange of the Bonds at the Corporate Trust Office of the Registrar.

Section 3.9 Transferability and Registry.

All Bonds shall at all times, when the same are Outstanding, be payable, both as to Principal Installment and interest to a Person, and shall be transferable, only in accordance with the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds remain Outstanding, the State shall maintain and keep, at the Corporate Trust Office of the Registrar, books for the registration and transfer of the Bonds, and, upon presentation thereof for such purpose at the Corporate Trust Office of the Registrar, the State shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Registrar may prescribe, any Bond, except that under no circumstances shall any Bond be registered or transferred to bearer. So long as any of the Bonds remain Outstanding, the State shall make all necessary provisions to permit the transfer of the Bonds at the Corporate Trust Office of the Registrar.

Section 3.10 Transfer of Bonds.

Each Bond shall be transferable only upon the books of the State, which shall be kept for such purpose at the Corporate Trust Office of the Registrar, upon presentation and surrender thereof by the Holder of such Bond or by his attorney duly authorized in writing, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Holder or his duly authorized attorney. Upon surrender for transfer of any such Bond, the State shall execute and the Registrar shall authenticate

and deliver, in the name of the Person who is the transferee, one or more new Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond. All action taken by the Registrar pursuant to this section shall be deemed to be the action of the State.

Section 3.11 Regulations with Respect to Exchanges and Transfers.

All Bonds surrendered in any exchanges or transfers shall forthwith be cancelled by the Registrar. For each such exchange or transfer of the Bonds, the State or the Registrar may make a charge sufficient to reimburse it or them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The State shall not be obligated to issue, exchange or transfer any Bond during the 15 days next preceding any Bond Payment Date.

Section 3.12 Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If any mutilated Bond is surrendered to the Registrar and the Registrar or the State receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and there is delivered to the Registrar or the State such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice that such Bond has been acquired by a bona fide purchaser, the State shall execute and, upon State Request, the Registrar shall authenticate and deliver, in exchange for any such mutilated Bond or in lieu of any such destroyed, lost or stolen Bond, a new Bond of like tenor, and principal amount and redemption provisions, bearing a number unlike that of a Bond contemporaneously Outstanding. The Registrar shall thereupon cancel any such mutilated Bond so surrendered. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the State in its discretion may instead of issuing a new Bond, pay such Bond.

(b) Upon the issuance of any new Bond under this Section 3.12, the State may require the payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees or other fees, of the State or the Registrar connected therewith.

(c) Each new Bond issued pursuant to this Section in lieu of any destroyed, lost or stolen Bond shall constitute an additional contractual obligation of the State, whether or not the destroyed, lost or stolen Bond shall at any time be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Bonds duly issued pursuant to this Resolution. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds.

Section 3.13 Holder As Owner of Bond.

The State, the Registrar and any Paying Agent may treat the Holder of any Bond as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Principal Installment and interest on such Bond and for all other purposes, and payment of the Principal Installment and interest shall be made only to, or upon the order of, such Holder. All payments to such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the State nor any Paying Agent shall be affected by any notice to the contrary.

Section 3.14 Cancellation of Bonds.

The Registrar shall destroy all Bonds surrendered to it for cancellation and shall deliver a certificate to that effect to the State. No such Bonds shall be deemed Outstanding under this Resolution and no Bonds shall be issued in lieu thereof.

Section 3.15 Payments Due on Saturdays, Sundays and Holidays.

In any case where the Bond Payment Date shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then payment of the interest on or Principal Installment of the Bonds need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the Bond Payment Date and no interest shall accrue for the period after such date.

Section 3.16 Conditions Relating to Naming of Interest Rates.

The Bonds shall bear such rate or rates of interest as shall at the sale of such Bonds reflect the lowest net interest cost to the State at a price of not less than ninety-nine percent (99%) of par, but:

- (a) all Bonds of the same maturity shall bear the same rate of interest;
- (b) each interest rate named shall be a multiple of one eighth (1/8th) or one twentieth (1/20th) of one percent (1%); and
- (c) any premium offered must be paid in cash as part of the purchase price for the Bonds;

provided, however, that the State Treasurer may determine, in his discretion and upon advice received, to waive, modify, amend, or vary the conditions described above (whether prior to the offer for sale of the Bonds, or subsequent to such offer but prior to the award of the Bonds), in order to (i) limit net Bond proceeds, (ii) maintain compliance with constitutional and statutory debt limitations, (iii) maintain level annual debt service within each Fiscal Year, and (iv) achieve a more favorable interest rate at the sale of the Bonds. In addition to the foregoing, the State Treasurer may establish additional terms and conditions for the sale of the Bonds, not inconsistent herewith, prior to the publication of the Notice of Sale (as defined herein).

Section 3.17 Tax Exemption in South Carolina.

Both the Principal Installment and interest on the Bonds shall be exempt from all State, county, municipal, school district, and all other taxes or assessments imposed by the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer or certain franchise taxes.

Section 3.18 Pledge of Full Faith, Credit and Taxing Power.

For the payment of the Principal Installment and interest on the Bonds, as they respectively mature, the full faith, credit and taxing power of the State are irrevocably pledged. In addition thereto, there is also pledged, to the extent available to the SCTIB and subject to the provisions of the Enabling Act, the SCTIB Funds. Each Fiscal Year the State Treasurer is hereby directed to set aside from available SCTIB Funds the amount necessary to pay the interest on and the Principal Installment of all Bonds falling due in such Fiscal

Year, and the State Treasurer shall thereafter apply such available SCTIB Funds to the punctual payment of such Principal Installments and interest as the same respectively fall due. In the event the available SCTIB Funds prove insufficient to meet the payments of the interest on and the Principal Installment of such Bonds in such Fiscal Year, then the State Treasurer is authorized and directed to set aside from the general tax revenues of the State received in such Fiscal Year so much of such general tax revenues as become needed for such purpose and to apply the same to the punctual payment of the interest on and the Principal Installment of such Bonds due or to become due in such Fiscal Year.

In accordance with the provisions of Paragraph 4 of §13 of Article X of the Constitution of the State of South Carolina, as amended, if at any time any payment of Principal Installment of or interest on the Bonds shall not be paid as and when the same become due and payable, the State Comptroller General shall forthwith levy and the State Treasurer shall collect an ad valorem tax without limit as to rate or amount upon all taxable property within the State sufficient to meet the payment of the Principal Installments of and interest on the Bonds then due.

Section 3.19 SCTIB Funds.

Upon request by the State Treasurer, the SCTIB shall transfer such SCTIB Funds to the State Treasurer who shall establish a special fund into which such funds shall be deposited and applied to the payment of principal, interest and premium, if any, on the Bonds.

Section 3.20 Bonds Issued in Book-Entry Only Form.

(a) Notwithstanding any provision of this Resolution to the contrary, the Bonds will initially be issued under the DTC Book-Entry Only System in fully registered form, registered in the name of Cede & Co. as the registered owner and securities depository nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as initial securities depository for the Bonds. Notwithstanding anything to the contrary herein, so long as the Bonds are being held under a book-entry system of a securities depository, transfers of beneficial ownership of the Bonds will be effected pursuant to rules and procedures established by such securities depository. DTC and any successor securities depositories are hereinafter referred to as the “Securities Depository”. Cede & Co. and successor securities depository nominees are hereinafter referred to as the “Securities Depository Nominee”.

(b) Notwithstanding any other provision of this Resolution, as long as a book-entry system is in effect for the Bonds, the Securities Depository Nominee will be recognized as the Holder of the Bonds for the purposes of (i) paying the Principal Installment of and interest on such Bonds, (ii) if Bonds are to be redeemed in part, selecting the portions of such Bonds to be redeemed, (iii) giving any notice permitted or required to be given to Bondholders under this Resolution, (iv) registering the transfer of the Bonds, and (v) requesting any consent or other action to be taken by the Holders of such Bonds, and for all other purposes whatsoever, and the State shall not be affected by any notice to the contrary.

(c) The State shall not have any responsibility or obligation to any participant, any beneficial owner or any other person claiming a beneficial ownership in any Bonds which are registered to a Securities Depository Nominee under or through the Securities Depository with respect to any action taken by the Securities Depository as Holder of such Bonds.

(d) The State shall pay the Principal Installment and interest on Bonds issued under a book-entry system only to the Securities Depository or the Securities Depository Nominee, as the case may be, for such Bonds, and all such payments shall be valid and effectual to fully satisfy and discharge the obligations with respect to the Principal Installment and interest on such Bonds.

(e) In the event that the State determines that it is in the interest of the State to discontinue the book-entry system of transfer for the Bonds, or that the interests of the beneficial owners of the Bonds may be adversely affected if the book-entry system is continued, then the State shall notify the Securities Depository of such determination. In such event, the Registrar and Paying Agent shall authenticate, register and deliver physical certificates for the Bonds in exchange for the Bonds registered in the name of the Securities Depository Nominee.

(f) In the event that the Securities Depository for the Bonds discontinues providing its services, the State shall either engage the services of another Securities Depository or arrange with a Registrar and Paying Agent for the delivery of physical certificates in the manner described in subsection (e) above.

(g) In connection with any notice or other communication to be provided to the Holders of Bonds by the State or by the Registrar and Paying Agent with respect to any consent or other action to be taken by the Holders of Bonds, the State or the Registrar and Paying Agent, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository Nominee notice of such record date not less than 15 days in advance of such record date to the extent possible.

(h) At the closing of the Bonds and the delivery of the same to the purchaser thereof through the facilities of DTC, the Paying Agent and Registrar may maintain custody of Bond certificates on behalf of DTC in accordance with DTC's "FAST" closing procedures.

(i) For as long as the Bonds are being held under a book-entry system of a securities depository, the State shall remit to the Paying, Agent and Registrar by 1:00 p.m. New York time on each Bond Payment Date funds for all principal and interest payments due thereupon, or at such earlier time as required by the Paying Agent and Registrar to guarantee that DTC or successor Securities Depository will receive payment in same-day funds by 2:30 p.m. New York time on such Bond Payment Date. In addition, automated payment details receipt shall be provided by the Paying Agent by 12:00 noon New York time of each Bond Payment Date for interest payments and by 2:30 p.m. New York time for redemption and corporate action payments.

Section 3.21 Form of Bonds.

The form of the Bonds, and registration provisions to be endorsed thereon shall be substantially as set forth in Exhibit D attached hereto and made a part of this Resolution.

ARTICLE IV REDEMPTION OR PURCHASE OF BONDS; REDEMPTION OF REFUNDED BONDS

Section 4.1 Authorization of Redemption.

The Bonds may be subject to redemption, in whole or in part, at any time in any order of maturity, upon such dates and at such Redemption Prices as shall be determined by the State Treasurer.

Section 4.2 State's Election to Redeem.

In the event that the State shall elect to redeem Bonds, it shall give notice by State Request to the Registrar and Paying Agent of each optional redemption. Each State Request shall specify the date fixed for redemption and the Bonds which are to be redeemed. Such notice shall be given at least 60 days prior to the date fixed for redemption or such lesser number of days as shall be acceptable to the Registrar.

Section 4.3 Notice of Redemption.

(a) When any Bonds are to be redeemed, the Registrar shall give notice of the redemption of the Bonds in the name of the State specifying: (i) the Bonds, the particular Series thereof, and maturities to be redeemed; (ii) the redemption date; (iii) the Redemption Price; (iv) the numbers and other distinguishing marks of the Bonds to be redeemed unless all of the Bonds Outstanding are to be redeemed; (v) the place or places where amounts due upon such redemption will be payable; and (vi) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed. Such notice shall further state that On such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue. The Registrar shall mail by registered mail a copy of such notice, postage prepaid, not less than 30 days before the redemption date to the registered Holders of all the Bonds or portions of the Bonds which are to be redeemed at their addresses which appear upon the registration books, but failure to so mail any such notice to any of such Holders shall not affect the validity of the proceedings for the redemption of the Bonds held by Holders to whom written notice has been mailed. The obligation of the Registrar to give the notice required by this Section shall not be conditioned upon the prior payment to the Paying Agent of money or the delivery to the Paying Agent of Authorized Investments or Government Obligations sufficient to pay the Redemption Price of the Bonds to which such notice relates or the interest thereon to the redemption date. Interest on the Bonds to be redeemed shall cease to accrue from and after the redemption date specified in such notice, unless the State defaults in making due provision for the payment of the Redemption Price thereof and accrued interest thereon.

(b) Notice of redemption having been given as provided in subsection (a) hereof, the Bonds or portions thereof so to be redeemed shall, on the date fixed for redemption, become due and payable at the Redemption Price specified therein plus accrued interest to the redemption date, and upon presentation and surrender thereof at the place specified in such notice, such Bonds or portions thereof shall be paid at the Redemption Price, plus accrued interest to the redemption date. On and after the redemption date (unless the State shall default in the payment of the Redemption Price and accrued interest), such Bonds shall cease to bear interest, and such Bonds shall no longer be considered as Outstanding hereunder. If money sufficient to pay the Redemption Price and accrued interest has not been made available by the State to the Paying Agent on the redemption date, such Bonds shall continue to bear interest until paid at the same rate as they would have borne, had they not been called for redemption, until the same shall have been paid.

Section 4.4 Selection by Registrar of Bonds to Be Redeemed.

(a) If less than all of the Bonds of like maturity are to be redeemed, the particular Bonds or portions of the Bonds to be redeemed shall be selected, not less than 45 days prior to the date fixed for redemption, by the Registrar by lot or in such other manner as the Registrar may deem to be appropriate, provided, however, that for so long as the Bonds are held in book-entry only form, the selection of Bonds to be redeemed hereunder shall be in accordance with the rules of the Securities Depository.

(b) In making such selection, the Registrar shall treat each Bond to be redeemed as representing that number of Bonds of the lowest authorized denomination as is obtained by dividing the principal amount of such Bond by such denomination. If any Bond is to be redeemed in part, the portion to be so redeemed shall be in a principal amount of an authorized denomination.

(c) The Registrar shall promptly notify the State in writing of the Bonds so selected for redemption.

Section 4.5 Deposit of Redemption Price.

On or before any date fixed for redemption of any Bonds, cash and/or a principal amount of non-callable Government Obligations maturing or redeemable at the option of the Holder thereof not later than the date fixed for redemption which, together with income to be earned on such Government Obligations prior to such date fixed for redemption, will be sufficient to provide cash to pay the Redemption Price of and accrued interest on all Bonds or portions thereof which are to be redeemed on such date, shall be deposited with the Paying Agent unless such amount shall have been previously deposited with the Paying Agent.

Section 4.6 Partial Redemption of Bonds.

In the event part but not all of a Bond Outstanding shall be selected for redemption, upon presentation and surrender of such Bond by the Holder thereof or his attorney duly authorized in writing (with, if the State or the Registrar so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the State and the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) to the Registrar, the State shall execute and the Registrar shall authenticate and deliver to or upon the order of such Holder, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of any authorized denomination of like tenor. Bonds so presented and surrendered shall be cancelled in accordance with Section 3.14 hereof.

Section 4.7 Purchases of Bonds Outstanding.

Purchases of Bonds Outstanding may also be made by the State at any time with money available to it from any source. Upon any such purchase the State shall deliver such Bonds to the Registrar for cancellation.

Section 4.8 Redemption of Refunded Bonds.

Upon the issuance of the Bonds, the State shall redeem the Refunded Bonds on such date or dates as the State Treasurer shall determine. The State Treasurer is hereby directed to cause publication of a notice of redemption for each series of Refunded Bonds at such times as the State Treasurer may determine.

ARTICLE V
SALE OF BONDS

Section 5.1 Determination of Time to Receive Bids; Form of Notice of Sale.

The Bonds shall be sold at public sale, at not less than ninety-nine percent of par except as may be modified herein. Bids shall be received until such time and date to be selected by the State Treasurer, The form of the notice of sale shall be substantially similar to that set forth in Exhibit C attached hereto (the "Notice of Sale") and made a part hereof The Notice of Sale, or, at the election of the State Treasurer, a summary thereof, shall be published in a financial paper published in the State of South Carolina (if necessary) and the City of New York, New York, which regularly publishes notices of sale of state or municipal bonds, which Notice of Sale shall each appear at least once and not less than seven (7) days before the date set for said sale. The Notice of Sale may be combined with a notice of sale for other general obligation bonds of the State being offered for sale at the same time, if any.

Section 5.2 Award of Bonds.

Upon receipt of bids for the Bonds, the Governor and the State Treasurer shall, and they are hereby authorized to, award the Bonds to the bidder offering the lowest interest cost therefor, the method of calculation of which shall be set forth in the Notice of Sale and determined at the State Treasurer's discretion, without further action on the part of the State Board if the Governor and the State Treasurer shall determine that it is in the interest of the State to make such award. The State shall have the right to reject all proposals and to re-advertise the Bonds for sale. Any proposal not conforming to the notice of sale may be rejected, but the State shall have the right to waive technicalities.

Section 5.3 Official Statement.

The State Board hereby authorizes the State Treasurer to prepare or cause to be prepared and to "deem final", within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, a Preliminary Official Statement relating to the Bonds and to prepare or cause to be prepared and to approve a final Official Statement following the sale of the Bonds. The State Board hereby authorizes the use of said Preliminary Official Statement and Official Statement and the information contained therein in connection with the public offering and sale of the Bonds.

Section 5.4 Combined Sales.

If the State Treasurer deems it prudent, the Bonds may be sold in combination with other series of general obligation bonds of the State, the issuance of which shall have been properly authorized and the form and details for which may be provided for in the same Preliminary Official Statement and same Official Statement as that for the Bonds.

ARTICLE VI
DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 6.1 Disposition of Bond Proceeds.

(a) The proceeds derived from the sale of the Bonds shall be applied and disposed of as follows:

(i) accrued interest, if any, shall be applied to the payment of the first installment of interest to become due on the Bonds;

(ii) the premium, if any, shall be applied as determined by the State Treasurer in accordance with the Refunding Act;

(iii) there shall be deposited in escrow with the Escrow Agent for the Refunded Bonds, amounts sufficient (and from any and all sources as determined by the State Treasurer) to defease such Refunded Bonds in accordance with the provisions of the resolutions pursuant to which such Refunded Bonds were issued; such deposit being made pursuant to one or more escrow deposit agreements in substantially the form attached hereto as Exhibit F, the execution and delivery of which are hereby authorized; and

(iv) any remaining proceeds may be used for the payment of the costs of issuing the Bonds.

(b) Neither the purchaser of the Bonds nor any registered Holder of the Bonds shall be liable for the proper application of the proceeds of the Bonds.

ARTICLE VII
DEFEASANCE OF BONDS

Section 7.1 Discharge of Resolution: Where and How Bonds Are Deemed to Have Been Paid and Defeased.

If all of the Bonds issued pursuant to this Resolution, and all interest thereon shall have been paid and discharged, then the obligations of the State under this Resolution and all other rights granted herein shall cease and determine. The Bonds shall be deemed to have been paid and discharged within the meaning of this Article under each of the following circumstances:

(a) An Escrow Agent shall hold, at the stated maturities of the Bonds, in trust and irrevocably appropriated thereto, sufficient moneys for the payment of the Principal Installment and interest thereof; or

(b) The Escrow Agent shall hold in an irrevocable trust moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with said Escrow Agent at the same time, shall be sufficient to pay when due the principal of and interest on the Bonds; or

(c) If default in the payment of the principal of the Bonds or the interest thereon shall have occurred on any Bond Payment Date, and thereafter tender of such payment shall have been made, and at such time as the Escrow Agent shall hold in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or

(d) If the State shall elect to provide for the payment of the Bonds prior to their stated maturities and shall have deposited with the Escrow Agent in an irrevocable trust moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with said Escrow Agent at the same time, shall be sufficient to pay when due the Principal Installment or Redemption Price to become due on their maturity dates or redemption dates, as the case may be, on the Bonds on and prior to their maturity dates or redemption dates, and interest due on the Bonds on or prior to their maturity or redemption dates, as the case may be. In the event that the State shall elect to redeem Bonds prior to their stated maturities, the State shall proceed in the manner prescribed by Article IV hereof, subject to the provisions of Section 3.19 in the event that at the time of such election the Bonds Outstanding are issued in book-entry only form.

Neither the Government Obligations nor moneys deposited with the Escrow Agent pursuant to this Section nor the principal or interest payments thereon shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Principal Installment or Redemption Price, and interest on said Bonds; provided, however, that any cash received from such principal or interest payments on Government Obligations deposited with the Escrow Agent, if not then needed for such purpose, shall, to the extent practicable, be invested and reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the Principal Installment or Redemption Price, and interest to become due on said Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and interest earned from such reinvestments not required for the payment of the Principal Installment or Redemption Price, and interest may be paid over to the State, as received by the Escrow Agent, free and clear of any trust, lien or pledge.

Section 7.2 Notice of Defeasance.

Upon the defeasance of the Bonds, all notices required by the South Carolina Code and the Continuing Disclosure Undertaking shall be given.

ARTICLE VIII
CONCERNING THE FIDUCIARIES

Section 8.1 Fiduciary: Appointment and Acceptance of Duties.

Each Paying Agent, Registrar and Escrow Agent shall accept the duties and trusts imposed upon it by this Resolution and shall agree in writing to perform such trusts but only upon the terms and conditions set forth in this Article VIII. Similarly, each financial institution appointed as a successor Registrar, a successor Paying Agent or successor Escrow Agent shall signify its acceptance of the duties and trusts imposed by this Resolution by a written acceptance.

Section 8.2 Responsibilities of Fiduciaries.

The recitals of fact herein and in the Bonds contained shall be taken as the statements of the State and no Fiduciary assumes any responsibility for the correctness of the same except in respect of the authentication certificate of the Registrar endorsed on the Bonds. No Fiduciary makes any representations as to the validity or sufficiency of this Resolution or of any Bonds or as to the security afforded by this Resolution, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiduciary. No Fiduciary shall be under any obligation or duty to Perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof or to advance any of its own moneys, unless indemnified to its reasonable satisfaction. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

Section 8.3 Evidence on Which Fiduciaries May Act.

(a) Each Fiduciary, upon receipt of any notice, resolution, request, consent order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to the State, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Resolution, such matter (unless other evidence in respect thereof be therein, specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

(c) Except as otherwise expressly provided in this Resolution any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the State to any Fiduciary shall be sufficiently executed if executed in the name of the State by an Authorized Officer.

Section 8.4 Compensation.

The State shall pay to each Fiduciary from time to time reasonable compensation based on the then standard fee schedule of the Fiduciary for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Resolution; provided, however, that any specific agreement between the State and a Fiduciary with respect to the compensation of such Fiduciary shall control the compensation to be paid to such Fiduciary.

Section 8.5 Certain Permitted Acts.

Any Fiduciary may become the Owner or underwriter of any Bonds, notes or other obligations of the State or conduct any banking activities with respect to the State, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or directors to effect or aid in, any reorganization growing out of the enforcement of the Bonds or this Resolution.

Section 8.6 Resignation of Any Fiduciary.

Any Fiduciary may at any time resign and be discharged of the duties and obligations created by this Resolution by giving not less than 60 days written notice to the State and not less than 30 days written notice to the Holders of the Bonds as established by the books of registration prior to the next succeeding Bond Payment Date and such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed by the State pursuant to Section 8.8 hereof, in which event such resignation shall take effect immediately on the appointment of such successor. In no event, however, shall such a resignation take effect until a successor has been appointed.

Section 8.7 Removal of Fiduciary.

Any Fiduciary may be removed at any time by an instrument or concurrent instruments in writing, filed with the State and such Fiduciary, and, as the case may be, signed by an Authorized Officer or the Bondholders representing a majority in principal amount of the Bonds then Outstanding or their attorneys in fact duly authorized, excluding any Bonds held by or for the account of the State.

Section 8.8 Appointment of Successor Fiduciaries.

(a) In case any Fiduciary hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the State Treasurer. Every such Fiduciary appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, within or outside the State, having a stockholders' equity of not less than \$75,000,000 if there be such an institution willing, qualified and able to accept the trust upon reasonable and customary terms.

(b) If in a proper case, no appointment of a successor Fiduciary shall be made by the State Treasurer pursuant to the foregoing provisions of this Section within 45 days after any Fiduciary shall have given to the State Treasurer written notice as provided in Section 8.6 hereof or after a vacancy in the office of such Fiduciary shall have occurred by reason of its removal or inability to act, the former Fiduciary or

any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor.

Section 8.9 Transfer of Rights and Property to Successor.

Any successor Fiduciary appointed under this Resolution shall execute, acknowledge and deliver to its predecessor, and also to the State, an instrument accepting such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Fiduciary; with like effect as if originally named in such capacity; but the Fiduciary ceasing to act shall nevertheless, upon State Request, or of the successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of the predecessor Fiduciary in and to any property held by it under this Resolution, and shall pay over, assign and deliver to the successor Fiduciary any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the State be required by such successor Fiduciary for more fully and certainly vesting in and confirming to such successor any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on' request, and so far as may be authorized by law, be executed, acknowledged and delivered by the State. Any such successor Fiduciary shall promptly notify other Fiduciaries, if any, and any depository of its appointment as Fiduciary.

Section 8.10 Merger or Consolidation.

Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it may be party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business and shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act; provided, however, such company shall be a bank or trust company organized under the laws of any state of the United States of America or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by this Resolution; and further provided, however, that such company otherwise meets the qualifications for successor Fiduciaries set forth in Section 8.8 herein.

Section 8.11 Adoption of Authentication.

In case any of the Bonds contemplated to be issued under this Resolution shall have been authenticated but not delivered, any successor Registrar may adopt the certificate of authentication of any predecessor Registrar so authenticating such Bonds and deliver such Bonds so authenticated. In case any such Bonds shall not have been authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in the name of the successor Registrar, and in all such cases such certificate shall be of full force and effect.

ARTICLE IX
FEDERAL TAX CONSIDERATIONS

Section 9.1 Compliance with the Code.

The State will comply with all requirements of the Code in order to preserve the tax-exempt status of the Bonds, including without limitation, (i) the requirement to file the information report 8038-G with the Internal Revenue Service, and (ii) the requirement to rebate certain arbitrage earnings to the United

States Government pursuant to Section 148(1) of the Code. In ,this connection, the State covenants to execute any and all agreements, certificates and other documentation as it may be advised by bond counsel will enable it to comply with this Article IX, and such agreements, certificates and other documentation may be executed by an Authorized Officer.

Section 9.2 Tax Representations and Covenants.

The State hereby represents and covenants that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the Holders thereof for federal income tax purposes pursuant to the provisions of the Code and the United States Treasury Regulations (the "Regulations"). Without limiting the generality of the foregoing, the State represents and covenants that:

(a) All property financed or refinanced with the proceeds of the Bonds will be owned by the State or a political subdivision thereof in accordance with the rules governing the ownership of property for federal income tax purposes.

(b) The State shall not use, and will not permit any party to use, the proceeds of the Bonds in any manner that would result in (i) ten percent (10%) or more of such proceeds being considered as having been used in a Private Business Use; or (ii) an amount greater than the lesser of five percent (5%) of such proceeds or \$5,000,000 being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit as provided in Section 141(c) of the Code.

(c) The State is not a party to, and will not enter into or permit any other party to enter into, any contract with any person involving the management of any facility financed or refinanced with the proceeds of the Bonds or by notes paid by the Bonds that does not conform to the guidelines set forth in Revenue Procedure 97-13, as amended by Revenue Procedure 2001-39, or a successor revenue procedure, Code provision or Regulations.

(d) The State will not sell, or permit any other party to sell, any property financed or refinanced with the Bonds to any person unless it obtains an opinion of nationally recognized bond counsel that such sale will not affect the tax-exempt status of the Bonds.

(e) The Bonds will not be "federally guaranteed" within the meaning of Section 149(b) of the Code. The State shall not enter into, or permit any other party to enter into, any leases or sales or service contract with any federal government agency with respect to any facility financed or refinanced with the proceeds of the Bonds and will not enter into any such leases or contracts unless it obtains the opinion of nationally recognized bond counsel that such action will not affect the tax-exempt status of the Bonds.

Section 9.3 Arbitrage Bonds.

The State hereby covenants and agrees with the Holders of the Bonds that no use of the proceeds of the Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Bonds, would have caused the Bonds to be "arbitrage bonds", as defined in the Code, and to that end the State hereby shall:

(a) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any Regulations so long as the Bonds are Outstanding;

(b) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the Code and Regulations relating to required rebate of certain amounts to the United States Government;

(c) make such reports of such information at the time and places required by the Code and Regulations; and

(d) take such other action as may be required to assure that the tax-exempt status of the Bonds will not be impaired.

ARTICLE X MISCELLANEOUS

Section 10.1 Failure to Present Bonds.

Anything in this Resolution to the contrary notwithstanding, any money held by the Paying Agent in trust for the payment and discharge of any of the Bonds, or the interest thereon, which remains unclaimed for such period of time, after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, that the Holder thereof shall no longer be able to enforce the payment thereof, the Paying Agent shall at the written request of the State pay such money to the State as its absolute property and free from trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the State for the payment of such Bonds; provided, however, the Paying Agent shall forward to the State all moneys which remain unclaimed during a period five (5) years from a Bond Payment Date; and further provided, however, that before being required to make any such payment to the State, the Paying Agent, at the expense of the State, may conduct such investigations as may in the opinion of the Paying Agent be necessary to locate the Holders of those who are entitled to take such funds.

Section 10.2 Severability of Invalid Provisions.

If any one or more of the covenants or agreements provided in this Resolution should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Resolution.

Section 10.3 Resolution to Constitute Contract.

In consideration of the purchase and acceptance of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Resolution, with the exception of those provisions of Sections 1.3 and 1.4 hereof regarding the aggregate amount of Transportation Infrastructure Refunding Bonds which may be issued, shall be deemed to be and shall constitute a contract between the State and the Holders from time to time of the Bonds, and such provisions are covenants and agreements with such Holders which the State hereby determined to be necessary and desirable for the security and payment thereof. The pledge hereof and the provisions, covenants, and agreements herein set forth to be performed on behalf of the State shall be for the equal benefit, protection, and security of the Holders of any and all of the Bonds, all of which shall be of equal rank without preference, priority or distinction of any Bonds over any other Bonds.

Section 10.4 Execution of Closing Documents and Certificates.

The Governor, the State Treasurer, the Secretary of State of South Carolina and any other officers or employees of the State are fully authorized and empowered to take such further action and to execute and deliver such closing documents and certificates as may be necessary and proper in order to complete the issuance of the Bonds herein authorized and the action of such officers or any one or more of them in executing and delivering any of such documents, in such form as he or they shall approve, is hereby fully authorized.

Section 10.5 Filing of Copies of Resolution.

Copies of this Resolution shall be filed in the offices of the State Board, the office of the Secretary of State of South Carolina (as a part of the Transcript of Proceedings), and with the offices of each Paying Agent and Registrar.

Section 10.6 Benefits of Resolution Limited to the State and Holders of the Bonds.

With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bonds is intended or should be construed to confer upon or give to any Person other than the State and the Holders of the Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Resolution and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the State and the Holders from time to time of the Bonds as herein and therein provided.

Section 10.7 No Personal Liability.

No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the State contained in this Resolution or the Bonds, against any member of the State Board, any officer or employee, as such, in his or her individual capacity, past, present or future, of the State, either directly or through the State, 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 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, of the State, either directly or by reason of any of the obligations, covenants, promises or agreements entered into between the State and Bondholders 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 Bonds, and as a condition of, and as a part of the consideration for, the adoption of this Resolution and the execution of the Bonds, expressly waived and released. The immunity of members of the State Board, officers and employees of the State under the provisions contained in this Section shall survive the termination of this Resolution.

Section 10.8 Continuing Disclosure.

(a) In accordance with Section 11-1-85 of the South Carolina Code, the State Board hereby covenants to file with a central repository for availability in the secondary bond market when requested: (i) an annual independent audit, within thirty days of the State's receipt of the audit; and (ii) event specific information, within thirty days of an event adversely affecting more than five percent of the State's revenue or tax base. The only remedy for failure by the State to comply with the covenant in this Section 10.8 shall

be an action for specific performance of this covenant. The State Board specifically reserves the right to amend this covenant to reflect any change in said Section 11-1-85 without the consent of any Bondholder.

(b) In addition, the State hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking. Notwithstanding any other provision of this Resolution, failure of the State to comply with the Continuing Disclosure Undertaking shall not be considered an event of default, hereunder; provided, however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the State to comply with its obligations under this Section 10.8(b). The Continuing Disclosure Undertaking shall be executed by the State Treasurer prior to the delivery of the Bonds and shall be substantially in such form as is set forth in Exhibit E hereto, together with such modifications and amendments thereto as shall be, deemed necessary by the State Treasurer upon advice of counsel. Additionally, the form of the Continuing Disclosure Undertaking shall be amended and modified as necessary to comply with any rules or regulations promulgated by the Securities and Exchange Commission. The execution of the Continuing Disclosure Undertaking shall constitute conclusive evidence of the approval by the State Treasurer of any and all modifications and amendments thereto.

Section 10.9 Law and Place of Enforcement of the Resolution.

This Resolution shall be construed and interpreted in accordance with the laws of the State of South Carolina and all suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in said State.

Section 10.10 Effect of Article and Section Headings and Table of Contents.

The heading or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

Section 10.11 Repeal of Inconsistent Resolutions.

All resolutions of the State Board, and any part of any resolution, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

Section 10.12 Effectiveness of this Resolution.

This Resolution shall become effective upon its adoption.

EXHIBIT A

PRO-FORMA DEBT SERVICE REQUIREMENTS OF
 NOT EXCEEDING \$11,000,000
 GENERAL OBLIGATION
 STATE TRANSPORTATION INFRASTRUCTURE
 REFUNDING BONDS,
 SERIES 2020A,
 OF THE STATE OF SOUTH CAROLINA
 AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	New Issue Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2021	\$ -	\$ 122,101	\$ 122,101
June 30, 2022	-	154,776	154,776
June 30, 2023	-	154,776	154,776
June 30, 2024	-	154,776	154,776
June 30, 2025	-	154,776	154,776
June 30, 2026	3,615,000	154,776	3,769,776
June 30, 2027	3,665,000	105,250	3,770,250
June 30, 2028	3,720,000	53,940	3,773,940
Total	\$11,000,000	\$1,055,171	\$12,055,171

* Preliminary, subject to change.

EXHIBIT B

SCHEDULE SHOWING
PRO-FORMA TOTAL PRINCIPAL AND INTEREST REQUIREMENTS OF
ALL GENERAL OBLIGATION DEBT SUBJECT TO CONSTITUTIONAL AND
STATUTORY LIMITATIONS OF FIVE PERCENT (5%)
INCLUDING THE PROPOSED SERIES 2020A BONDS
AT PREVAILING RATES OF INTEREST AND
AFTER GIVING EFFECT TO THE DEFEASANCE OF THE REFUNDED BONDS

Fiscal Year Ending	Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2020	\$ -	\$ -	\$ -
June 30, 2021	17,175,000	3,540,326	20,715,326
June 30, 2022	17,985,000	2,738,701	20,723,701
June 30, 2023	18,845,000	1,864,651	20,709,651
June 30, 2024	19,755,000	948,626	20,703,626
June 30, 2025	9,650,000	387,401	10,037,401
June 30, 2026	3,615,000	154,776	3,769,776
June 30, 2027	3,665,000	105,250	3,770,250
June 30, 2028	3,720,000	53,940	3,773,940
Total	\$94,410,000	\$9,793,671	\$104,203,671

* Preliminary, subject to change.

(FORM OF BOND) (FACE OF BOND)
UNITED STATES OF AMERICA
GENERAL OBLIGATION
STATE TRANSPORTATION INFRASTRUCTURE
REFUNDING BOND, SERIES 2020A,
OF THE STATE OF SOUTH CAROLINA

No. R-1

Rate of Interest Maturity Date Original Issue Date CUSIP

Registered Holder: CEDE & CO.

Principal Amount: _____ DOLLARS (\$ _____)

THE STATE OF SOUTH CAROLINA (the "State") acknowledges itself indebted and for value received hereby promises to pay, solely as hereinafter provided, to the Registered Holder named above, or registered assigns, the Principal Amount stated above, on the Maturity Date set forth above, unless this Bond be subject to redemption and shall have been redeemed prior thereto as hereinafter provided, upon presentation and surrender of this Bond at the Corporate Trust Office of _____, in the City of _____ State of _____ (the "Paying Agent"), and to pay interest on such Principal Amount at the Rate of Interest set forth above (calculated on the basis of a 360-day year consisting of twelve 30-day months), until the obligation of the State with respect to the payment of such Principal Amount shall be discharged.

So long as Cede & Co., as nominee of The Depository Trust Company ("DTC"), is the Registered Owner of the Bonds, references in this Bond to the Bondholders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners.

The State, the Registrar and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purpose of the payment of the principal of or interest or premium, if any, on the Bonds, giving any notice permitted or required to be given to Bondholders under the Resolution, hereinafter defined, registering the transfer of the Bonds, obtaining any consent or action to be taken by Bondholders and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. The State, the Registrar and the Paying Agent shall not have any responsibility or obligation to any direct participant, any person claiming a beneficial ownership in the Bonds under or through DTC or any Direct Participant or any other person which is not shown on the Registration Books of the State (kept by the Registrar) as being a Bondholder with respect to the accuracy of any records maintained by DTC or any Direct Participant; the payment by DTC or any Direct Participant of any amount in respect of the principal of or interest or premium, if any, on the Bonds; any notice which is permitted or required to be given to Bondholders thereunder or under the conditions for transfers or exchanges adopted by the State; or any consent given or other action taken by DTC as a Bondholder.

Interest on the Bonds is payable on _____ 1 and _____ 1 of each year (the "Bond Payment Dates") beginning _____ 1, 20___. The interest payable on any Bond Payment Date for any Bond shall be paid to the person in whose name the Bond is registered at the close of business on the 15th day next preceding such Bond Payment Date.

Each Bond shall bear interest from _____, 20___, if no interest has yet been paid; otherwise from the last Bond Payment Date to which interest has been paid and which Bond Payment Date is on or prior to the authentication date thereof.

Interest hereon will be payable by check or draft mailed at the times provided herein from the office of the Paying Agent to the person in whose name this Bond is registered at the address shown on the registration books. The principal of and interest on this Bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of an issue of Bonds in the aggregate principal amount of _____ dollars (\$_____) of like tenor, except as to registered owner, numbering, rate of interest, redemption features, and date of maturity; issued pursuant to and in accordance with the Constitution and Statutes of the State of South Carolina, including, particularly the provisions of Chapter 43, Title 11 of the Code of Laws of South Carolina, 1976, as amended, Chapter 21, Title 11 of the Code of Laws of South Carolina, 1976, as amended, and a resolution (the "Resolution") duly adopted by the South Carolina State Fiscal Accountability Authority on June 30, 2020.

[insert redemption provisions]

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Resolution. Certified copies of the Resolution are on file in the office of the Registrar, in the office of the Paying Agent and in the office of the Secretary of State of South Carolina.

For the payment of the principal of and interest on this Bond, as the same shall become due, there are pledged the full faith, credit and taxing power of the State of South Carolina and in addition thereto, but subject to the provisions of the Enabling Act, certain funds of the SCTIB, as set forth in the Resolution.

This Bond and the interest hereon are exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes.

This Bond is issuable only as a fully registered Bond without coupons in denominations of \$5,000 and any whole multiple of \$5,000. This Bond is transferable, as provided in the Resolution, only upon the registration books kept for that purpose at the Corporate Trust Office of the Registrar by the Registered Holder in person or by his duly authorized attorney, upon (i) surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his duly authorized attorney; and (ii) payment of the charges, if any, prescribed in the Resolution. Thereupon a new fully registered Bond or Bonds of like series designation, maturity and interest rate, and in a like aggregate principal amount will be issued to the transferee in exchange therefor as provided in the Resolution. The State, the Paying Agent and the Registrar may deem and treat the person in whose name this Bond is registered -as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

The State shall not be obligated to issue, exchange or transfer this Bond during the 15 days next preceding any Bond Payment Date. For every exchange or transfer of the Bonds, the State, the Paying Agent, or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and Statutes of the State of South Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, that the amount of this Bond, together with all other indebtedness of the State of South Carolina, does not exceed any limit prescribed by such Constitution or Statutes, and that provision has been made for the allocation, on an annual basis, of sufficient tax revenues to provide for the punctual payment of the principal of and interest on this Bond and the issue of Bonds of which this Bond is one.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by the Registrar.

IN WITNESS WHEREOF, the State of South Carolina has caused this Bond to be signed in its name by the manual or facsimile signatures of the Governor of South Carolina and the State Treasurer of South Carolina, the Great Seal of the State of South Carolina to be reproduced hereon and the same to be attested by the manual or facsimile signature of the Secretary of State of South Carolina.

THE STATE OF SOUTH CAROLINA

Henry McMaster
Governor

Curtis M. Loftis
State Treasurer

SEAL

Attest:

Mark Hammond
Secretary of State

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Resolution.

REGISTRAR

By: Authorized Signatory

Date: _____, 2020

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____ (please print or type name and address of Transferee and Social Security or other identifying number of the Transferee)

the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints

_____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

NOTE: The signature to this assignment must correspond with the name(s) on the face of the foregoing bond in every particular, without alteration.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program ("Stamp") or similar program.

The following abbreviations shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT _____ Custodian _____
(Cust) (Minor)
Under Uniform Gift to Minors Act of the State of _____

Additional abbreviations may be used though not in the list above.

FORM OF
OFFICIAL NOTICE OF SALE
\$ _____
GENERAL OBLIGATION
STATE TRANSPORTATION INFRASTRUCTURE
REFUNDING BONDS, SERIES 2020A,
OF THE STATE OF SOUTH CAROLINA
(BOOK-ENTRY ONLY)

SEALED BIDS, FACSIMILE BIDS, AND ELECTRONIC BIDS for the purchase of _____ General Obligation State Transportation Infrastructure Refunding Bonds, Series _____, of the State Of South Carolina (the "Bonds") will be received by the Governor and the State Treasurer of the State of South Carolina, in the Office of the State Treasurer, Room 121, in the Wade Hampton Office Building, Capitol Complex, Columbia, South Carolina, 29201, until _____ (South Carolina time) on _____, 20__ or on such other date and time as may be established by the Governor and State Treasurer of the State of South Carolina and communicated by Thomson Municipal Market Monitor not less than 48 hours prior to the time the bids are to be received. Electronic bids must be submitted through the Parity Electronic Bid Submission System (Parity). No electronic bids from any other providers of electronic bidding services will be accepted. Information about the electronic bidding services of PARITY® may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, NY 10018, Attention: Client Support, telephone (212) 849-5021.

The State will accept the facsimile transmission of a manually signed Official Bid Form at the risk of the bidder. The State will not be responsible for the confidentiality of bids submitted by facsimile transmission, but does agree to place such bids in an envelope upon receipt. Any delay in receipt of a facsimile bid, and any incomplete or illegible portions of such bid are the responsibility of the bidder. Facsimile bids shall be submitted to the State Treasurer of the State of South Carolina at (803) 734-2039 (primary) or (803) 734-2697 (backup).

The Bonds will mature on _____ in the years and principal amounts as follows:

_____ | Principal Amount | _____ | Principal Amount

The State Treasurer may adjust the principal amount of the Bonds to limit net bond proceeds and may further adjust the maturity schedule as to the principal amount maturing in a particular year in order to achieve a more favorable interest rate at the sale of the Bonds and to maintain level annual debt service within each fiscal year. The State Treasurer also may adjust the principal amount of the Bonds and the maturity schedule as to principal amount maturing in a particular year in order to comply with constitutional and statutory debt limitations.

The Bonds maturing on and after _____ shall be subject to redemption, in whole or in part, at any time in any order of maturity to be determined by the State on and after _____ at the Redemption Prices

expressed as a percentage of the principal amount to be redeemed set forth below, plus accrued interest to the date fixed for redemption:

Redemption Date(s)

Redemption Price(s)

Bonds in denominations of more than \$5,000 may be redeemed in one or more multiples of \$5,000 and if less than all Bonds of a single maturity are to be redeemed, the Bonds to be redeemed shall be determined by lot within such maturity by the Registrar.

The Bonds will bear interest from _____ at a rate or rates to be named by the bidder. Interest on the Bonds will be payable on _____ and _____ of each year (the Bond Payment Dates) commencing , at which time interest for _____ (_____) months will be due. Both principal and interest will be paid in any coin or currency of the United States of America, which at the time of payment, is legal tender for the payment of public and private debts.

Interest on the Bonds will be paid on each Bond Payment Date by check or draft mailed from the Principal Corporate Trust Office of the financial institution designated by the State Treasurer to act as Paying Agent and Registrar to the person in whose name the Bond is registered on the 15th day next preceding the Bond Payment Date at the address shown on the registration books.

The Bonds will initially be subject to a system of book-entry registration maintained by The Depository Trust Company, New York, New York ("DTC"). Principal of the Bonds when due will be paid upon presentation and surrender of such Bonds at the Corporate Trust Office of the Paying Agent.

The Bonds are issued pursuant to Article X, Section 13 of the South Carolina Constitution and Title 11, Chapter 43 and Title 11, Chapter 21 of the Code of Laws of South Carolina, 1976, as amended, and constitute general obligations of the State of South Carolina.

CONDITIONS OF SALE

Bidders are invited to name the rate or rates of interest which the Bonds are to bear, and unless all bids are rejected, they will be awarded to the bidder offering to purchase the Bonds at the lowest net interest cost to the State at a price of not less than par and accrued interest to the date of delivery. Bidders may name any number of rates of interest, in any variations selected by the bidder except that:

- (a) all Bonds of the same maturity shall bear the same rate of interest;
- (b) no rate of interest named shall be more than _____ (_____) percentage points higher than the lowest rate of interest named;
- (c) each interest rate named shall be a multiple of 1/8th or 1/20th of one (1) percentage point; and
- (d) any premium offered must be paid in cash as a part of the purchase price for the Bonds.

[Interest Cost Determination]

Bids will be accepted or rejected by _____ (South Carolina time) on the day of the sale. In the event of tie low bids, the Bonds shall be awarded jointly to those submitting such tie low bids or in such other manner as those submitting such tie low bids shall determine.

No bid for the purchase of less than all of the Bonds at a price less than par and accrued interest to the date of delivery will be considered.

Written bids must be submitted on the Official Bid Form, must be enclosed in a sealed envelope and addressed to the State Treasurer of the State of South Carolina, Room 121, Wade Hampton Office Building, Capitol Complex, Columbia, South Carolina, 29201, and marked on the outside in substance "Bid for \$ _____ General Obligation State Transportation Infrastructure Refunding Bonds, Series _____". Such bids are to be publicly opened and read at such time and place on said day.

If any provisions of this Official Notice of Sale conflict with information provided by Parity as the approved provider of electronic bidding services, this Official Notice of Sale shall control.

Written bids, facsimile bids and electronic bids must be unconditional and received by the State and by Parity in the case of electronic bids, before the time stated above. The time as maintained by Parity shall constitute the official time with respect to all bids submitted for the purchase of the Bonds. The State is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid.

Payment for the Bonds must be made in Federal Funds or other immediately available funds.

The right to reject all bids and to re-advertise the Bonds for sale is reserved and any bid not conforming to this Notice of Sale may be rejected, but the right is reserved to waive technicalities.

The State will furnish, without cost to the successful bidder, typewritten or printed Bonds and the opinions of The Honorable Alan Wilson, Attorney General of the State of South Carolina, and of Burr Forman McNair, Bond Counsel for the State.

With respect to the Bonds, the opinion of Burr Forman McNair will state that (a) interest on the Bonds is excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the Code); and (b) the Bonds and the interest thereon are exempt from all State, county, municipal, school district and all other taxes or assessments imposed within the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer or certain- franchise taxes. The opinion will further state that the Code establishes certain requirements which must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds remain excludable from gross income for federal income tax purposes. Noncompliance may cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds, regardless of the date on which such noncompliance occurs or is ascertained. The State has covenanted to comply with the requirements of the Code in the resolutions pursuant to which the Bonds are issued and, in rendering its opinion, Bond Counsel will assume compliance with such covenants. The opinion of Burr Forman McNair will be attached to the back of each of the Bonds.

[INSERT SIFMA/NABL ISSUE PRICE MATERIAL]

[The successful bidder for the Bonds must provide a certificate to the State not later than two business days following the sale date, and confirmed by a certificate delivered at closing, stating the initial reoffering price of the Bonds to the public (excluding bond houses and brokers) and the price at which a substantial amount of the Bonds were sold to the public, in form satisfactory to Bond Counsel. As further condition precedent to the delivery of the Bonds, and in order to assist the State to comply with applicable federal tax law, bidders must certify to the State the "yield" on the Bonds, calculated in accordance with Section 1.148-4 of the United States Treasury Regulations.]

The successful bidder for the Bonds represents to the State that: (i) its bid is not made in connection with any competing bidder submitting a separate bid in response to this Official Notice of Sale and is in all respects fair and without collusion or fraud; (ii) its bid is genuine, and not a sham or collusive, and is not made in the interest or on behalf of any person not therein named; (iii) it has not directly or indirectly induced or solicited any other bidder to submit a sham bid or any other person, firm or corporation to refrain from bidding; and (iv) it has not in any manner sought by collusion to secure for itself an advantage over any other bidder; and the State will require the successful bidder for the Bonds to provide a certificate confirming such representations on the date of delivery of the Bonds. In addition, submission of a bid will be deemed to be the bidder's conclusive agreement with all other terms and conditions of this Official Notice of Sale.]

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for the Bonds.

A Preliminary Official Statement dated _____, 20__ with respect to the Bonds has been prepared by the State, and such Preliminary Official Statement is deemed final by the State for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the Rule). The Preliminary Official Statement is available at <http://www.i-dealprospectus.com>. The State designates the Purchaser as its agent for purposes of distributing copies of the final Official Statement. The Purchaser agrees to (1) accept such designation, and (2) assure proper dissemination of the final Official Statement. The State will prepare and provide to the Purchaser, within seven (7) business days after the sale date, a mutually agreed upon reasonable number of copies of the final Official Statement. The final Official Statement shall be in substantially the same form as the Preliminary Official. Statement, subject to any additions, deletions or revisions that the State believes are necessary, In order to assist bidders in complying with the Rule, the State will undertake, pursuant to the authorizing Resolution and a Continuing Disclosure Undertaking, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Final Official Statement.

The State Treasurer will designate the Registrar and Paying Agent for the Bonds.

The Bonds will be delivered in New York, New York through the facilities of DTC within thirty (30) days of the date of Sale. Prospective purchasers may obtain, in advance of the sale, copies of the respective bid forms and Preliminary Official Statement relating to the Bonds from (i) the i-deal prospectus website, <http://www.i-dealprospectus.com>, (ii) Robert E. Macdonald, III, Assistant State Treasurer, Debt Division, 122 Wade Hampton Office Building, Capitol Complex, Columbia, South Carolina, 29201 (telephone: (803) 734-2677; email: robert.macdonald@sto.sc.gov), (iii) Kevin Kibler, Assistant State Treasurer for Debt Management, 122 Wade Hampton Office Building, Columbia, South Carolina 29201 (telephone: (803) 734-1391; email: kevin.kibler@sto.sc.gov), (iv) the State's Bond Counsel, Rion D. Foley, Esq. (telephone: (843) 973-6827; email: rfoley@burr.com) or (v) the undersigned State Treasurer.

Henry McMaster
Governor

Curtis M. Loftis, Jr.
State Treasurer

EXHIBIT E

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this “Disclosure Undertaking”) is executed and delivered this ____ day of _____, 2020, by the State of South Carolina (the “State”) in connection with the issuance of the State’s \$ _____ General Obligation State Transportation Infrastructure Refunding Bonds, Series 2020A (the “Bonds”).

The Bonds are being issued pursuant to a resolution adopted on [June 30, 2020] (the “Resolution”), by the South Carolina State Fiscal Accountability Authority authorizing the issuance of the Bonds. The State covenants and agrees as follows:

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the State for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission (the “SEC”) Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized terms used in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means the annual report provided by the State pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

“Beneficial Owner” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” means any person designated in writing by the State and which has filed with the State a written acceptance of such designation.

“EMMA” means the Electronic Municipal Market Access system described in SEC Release No. 3459062 (or any successor electronic information system) and maintained by MSRB as the sole repository for the central filing of electronic disclosure pursuant to the Rule.

“Listed Events” means any of the events listed in Section 5(a) or (b) of this Disclosure Undertaking.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Unless otherwise designated by MSRB or the SEC filings with the MSRB are to be made through EMMA.

“Official Statement” means the Official Statement dated _____, 2020, prepared in connection with the Bonds.

“Participating Underwriter” means any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” means the State of South Carolina.

Section 3. Provision of Annual Reports. (a) The State shall, not later seven (7) months after the end of the State’s fiscal year (which shall be January 31 of each year, so long as the State’s fiscal year ends on June 30), commencing with the report for the fiscal year ended June 30, [2019], provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking, The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking; provided, however, that the audited financial statements of the State for the fiscal year ended June 30, [2019], and for each subsequent fiscal year may be submitted separately from the remainder of the Annual Report, and later than the date required for the filing of the Annual Report if they are not available by that date. If the State’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a) hereof.

(b) If the State is unable to provide to the MSRB an Annual Report by the date required in subsection (a) above, the State shall, in a timely manner, send or cause to be sent to the MSRB, a notice in substantially the form attached hereto as Exhibit A.

(c) In the event that there is a Dissemination Agent, then not later than fifteen (15) business days prior to each due date, commencing _____, 20__ the State shall provide the Annual Report to the Dissemination Agent for distribution to the Repositories. In connection with this distribution of the Annual Report, the Dissemination Agent, if any, shall file a report with the State certifying that the Annual Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided.

Section 4. Contents of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) The audited Comprehensive Annual Financial Report of the State for the fiscal year ended on the previous June 30, prepared in accordance with accounting principles generally accepted in the United States of America applicable to government entities from time to time by the Governmental Accounting Standards Board, If the State’s audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a) hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available;

(b) Revenue by sources in the preceding Fiscal Year for all governmental fund types, as indicated in Note 1 of the Audited Financial Statements contained as Appendix A in the Official Statement;

(c) Computation of the legal debt margin for General Obligation Bonds as set forth in the Official Statement under the heading “DESCRIPTION OF BONDS — Constitutional and Statutory Debt Limit” and “TABLE RELATING TO GENERAL OBLIGATION DEBT Service Requirements of All General Obligation Debt Subject to the Limitation Imposed by Subparagraph (c) of Paragraph 6 of Section 13 of Article X of the South Carolina Constitution”;

(d) Total Outstanding general obligation bonds and maximum annual debt service as set forth in the Official Statement under the heading “TABLE RELATING TO GENERAL OBLIGATION DEBT”;

and

(e) Total general obligation bonds per capita as set forth in the Official Statement under the heading "RELATIONSHIP OF POPULATION AND PERSONAL INCOME TO GENERAL OBLIGATIONS OF THE STATE".

The Annual Report may consist of one or more documents. Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the State, which have been made available to the public on EMMA. The State shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events. (a) The State shall give or cause to be given notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of security holders, material;
- (viii) Bond calls, if material and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of any obligated person;
- (xiii) the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of trustee, if material;
- (xiv) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (xiv) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties.

Section 6. Format for Filing With the MSRB. All documents provided to the MSRB pursuant to this Disclosure Undertaking shall be submitted in electronic format and shall identify the Bonds by name and GUST number or shall be recognized by such identifying information as described from time to time by the MSRB.

Section 7. Termination of Reporting Obligation. This Disclosure Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Bonds shall have been paid in full or the Bonds shall have otherwise been paid or legally defeased; provided, however, that if the Rule (or any successor provision) shall be amended, modified, or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder; and provided further that if and to the extent the Rule (or any successor provision), or any provision thereof, shall be declared by a court of competent and final jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Bonds, then the information required to be provided hereunder, insofar as it was required to be provided by a provision of the Rule so declared, shall no longer be required to be provided hereunder. Upon any legal defeasance, the State shall electronically file notice of such defeasance with the MSRB, and such notice shall state whether the Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 8. Dissemination Agent. The State may, from time to time, appoint or engage a Dissemination Agent to assist in its carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the State pursuant to this Disclosure Undertaking.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the State may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements or change in law;

(b) This Disclosure Undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the State shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the State. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given by filing with the MSRB and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the State from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of Occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the State chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the State shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

Section 11. Default. In the event of a failure of the State to comply with any provision of this Disclosure Undertaking, any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking *mandamus* or specific performance by court order, to cause the State to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the State to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 12. Beneficiaries: This Disclosure Undertaking shall inure solely to the benefit of the State, the Dissemination Agent, the Participating Underwriters and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity. This Disclosure Undertaking is not intended to create any monetary rights on behalf of any person.

THE STATE OF SOUTH CAROLINA

By: _____
State Treasurer

Date: _____, 2020

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Issuer: The State Of South Carolina

Obligations: \$ _____ General Obligation State Transportation Infrastructure Refunding
Bonds, Series _____

Date of Issuance:

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 10.8(b) of the Resolution adopted on [June 30, 2020], The State anticipates that the Annual Report will be filed by _____.

THE STATE OF SOUTH CAROLINA

By: _____
State Treasurer

Date: _____

[FORM OF ESCROW DEPOSIT AGREEMENT]

ESCROW DEPOSIT AGREEMENT

Between

THE STATE OF SOUTH CAROLINA

And

[ESCROW AGENT]

Relating to

GENERAL OBLIGATION
STATE TRANSPORTATION INFRASTRUCTURE
REFUNDING BONDS,
SERIES 2020A,
OF THE STATE OF SOUTH CAROLINA

Dated _____, 2020

FORM OF ESCROW DEPOSIT AGREEMENT

This Escrow Deposit Agreement, dated _____, 2020 by and between the State of South Carolina (the "State"), and _____, a national banking association organized under the laws of the United States, as Escrow Holder (the "Escrow Holder");

WITNESSETH:

WHEREAS, pursuant to a resolution adopted by the South Carolina State Fiscal Accountability Authority on March 4, 2003 (the "2004A Resolution"), the State issued its \$60,000,000 General Obligation State Transportation Infrastructure Bonds, Series 2004A (the "2004A Bonds") of which \$ _____ principal amount is outstanding as of the date hereof; and

WHEREAS, the State has determined to make provision for the payment of \$ _____ of the 2004A Bonds maturing April 1, 20__ to and including April 1, 20__ (the "2004A Refunded Bonds"); and

WHEREAS, the State hereby irrevocably elects to redeem the 2004A Refunded Bonds on _____, 20__; and

WHEREAS, _____ has agreed to act as Escrow Holder hereunto and to perform the duties and functions imposed upon the Escrow Holder in order to satisfy the defeasance provisions of the resolutions authorizing the issuance of the 2004A Refunded Bonds;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the State and the Escrow Holder agree as follows:

Section 1. Definitions. As used herein including the recitals hereof, the following terms mean:

"Aggregate Debt Service" means, as of any date, the sum of all present and future Annual Debt Service payments then remaining unpaid.

"Agreement" means this Escrow Deposit Agreement.

"Annual Debt Service" means, in any calendar year, the principal of, interest on and Redemption Premium, if any, due in such calendar year on the 2004A Refunded Bonds as shown on Exhibit A.

"2004A Refunded Bonds" means the outstanding \$ _____ principal amount maturing April 1, 20__ to and including April 1, 20__ of an original issue of \$60,000,000 General Obligation State Transportation Infrastructure Bonds, Series 2004A, of the State.

"Code" means the Internal Revenue Code of 1986, as amended.

"Direct Obligations" means non-callable direct obligations of the United States of America.

"Escrow Account" means the account established and held by the Escrow Holder pursuant to this Agreement, in which cash and investments will be held for payment of the 2004A Refunded Bonds.

"Escrow Holder" means _____.

"Redemption Date for the 2004A Refunded Bonds" means _____, 20__.

"2004A Resolution" means the Resolution adopted by the South Carolina State Fiscal Accountability Authority on March 4, 2003 providing for the issuance of the 2004A Bonds.

"Securities" means the SLGS and investments in Direct Obligations made by the Escrow Holder pursuant to any authorization herein contained.

"SLGS" means United States Treasury Obligations State and Local Government Series issued in book entry form, none of which are subject to redemption prior to maturity at the option of the obligor.

"State" means the State of South Carolina.

Section 2. Deposit and Investment of Funds. (a) The State hereby delivers to and deposits with the Escrow Holder immediately available funds in the amount of \$ _____.

(b) The Escrow Holder is hereby directed to purchase the [Direct Obligations/SLGS] described in Exhibit B hereto.

(c) The State represents that the aggregate amounts of the payments to be received by way of principal and interest from the [Direct Obligations/SLGS] will be sufficient to meet in full the principal of, interest and Redemption Premium, if any, on the 2004A Refunded Bonds as the same become due and payable.

Section 3. Receipt and Investment of Funds. The Escrow Holder acknowledges receipt of the immediately available funds in the amount of \$ _____ and acknowledges the investment thereof in accordance with Section 2.

Section 4. Payment of Refunded Bonds; Priority of Payments. On each interest payment date of the 2004A Refunded Bonds, the Escrow Holder shall pay to the Paying Agent or the holders of the 2004A Refunded Bonds, as the case may be, in accordance with the 2004A Resolution from the cash on hand in the Escrow Account, a sum sufficient to pay that portion of the Annual Debt Service of the 2004A Refunded Bonds coming due on such date.

The Holders of the 2004A Refunded Bonds shall have an express first lien on all funds and Securities in the Escrow Account until the same are used and applied as provided in this Agreement. If the cash on hand in the Escrow Account is ever insufficient to make the payments required hereunder, the State shall, upon notice having been given by the Escrow Holder, provide the required sum of money necessary to discharge such deficiency.

Section 5. Investments by the Escrow Holder. (a) Except as required or permitted by the provisions of Section 3 or subsections (b) and (c) of this Section 5, the Escrow Holder shall have no power or duty to invest any funds received from payments made on account of the Securities.

(b) Amounts received upon the maturity of the Securities described in Exhibit B hereto may be invested at the direction of the State in Direct Obligations at a yield not in excess of (i) _____%, or (ii) the yield on the 2004A Refunded Bonds as determined by a nationally recognized firm of independent certified public accountants, or, in the absence of such direction, in 0% SLGS, until needed to pay debt service on the 2004A Refunded Bonds; provided that such investments shall mature on or before the next payment date on which such funds are required for payments due on the 2004A Refunded Bonds. For the

purpose of this Agreement, "yield" means that yield which when used in computing the present worth of all payments of principal and interest to be paid on an obligation produces an amount equal to the purchase price of such obligation and shall be calculated by the use of the same frequency interval of compounding interest as that for payment of interest on the 2004A Refunded Bonds.

(c) Under the terms and conditions of this subsection (c) and, at the written request of the State, the Escrow Holder shall (i) sell, transfer, request the redemption or otherwise dispose of the Securities in the Escrow Account, (ii) invest the proceeds therefrom and other money in the Escrow Account in Direct Obligations which are available for purchase with such money on the date of such transaction, and/or (iii) release and deliver money or Securities in the Escrow Account to the State; but prior to taking any such action, the Escrow Holder shall have received (1) the unqualified opinion of a nationally recognized municipal bond attorney to the effect that such transaction would not affect the tax-exempt status of interest on the 2004A Refunded Bonds; and (2) a certification from a nationally recognized firm of independent certified public accountants that, after such transaction, and after making all payments or releases then or thereafter contemplated by such transaction, the principal of and interest on the Securities in the Escrow Account will, together with any money in the Escrow Account available for such purpose, be sufficient to pay, when due, the Aggregate Debt Service.

Section 6. Notice of Redemption. The Escrow Holder acknowledges that the 2004A Refunded Bonds maturing April 1, 20__ to and including April 1, 20__ in the aggregate principal amount of \$_____ are subject to redemption on _____, 20__ at a redemption price of _____% of the principal amount plus accrued interest to _____, 20__, and that the State has irrevocably elected to redeem the 2004A Refunded Bonds on _____, 20__ Section 4.03 of the 2004A Resolution prescribes that notice of any call for redemption of any bonds issued thereunder shall be given by the Registrar in name of the State to the Registered Holders of the 2004A Bonds to be redeemed specifying (i) the 2004A Bonds and maturities to be redeemed; (ii) the redemption date; (iii) the redemption price; (iv) the numbers, series designation and other distinguishing marks of the 2004A Bonds to be redeemed; and (v) the place or places where amounts due upon such redemption will be payable by mailing a copy of such notice, registered or certified mail, not less than thirty (30) days and not more than sixty (60) days before the redemption date to the Registered Holders of all 2004A Bonds which are to be redeemed at their addresses which appear upon the registration books.

In addition, the Escrow Holder shall, at the expense of the State, send at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories in the business of holding substantial amounts of obligations of types comprising the 2004A Refunded Bonds (including, without limitation, Depository Trust Company of New York, New York) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds. Each such further notice shall contain (A) the CUSIP numbers of all 2004A Refunded Bonds being redeemed; (B) the date of issue of the 2004A Refunded Bonds as originally issued; (C) the rate of interest borne by each Refunded Bond being redeemed; (D) the maturity date of each Refunded Bond being redeemed; and (E) any other descriptive information needed to identify accurately the 2004A Refunded Bonds being redeemed and shall published such notice one time in THE BOND BUYER of New York, New York, at least thirty (30) days prior to the date fixed for redemption. Such notices of redemption shall be in substantially the same form as Exhibits C hereto attached.

Section 7. Responsibilities of Escrow Holder. The Escrow Holder and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this. Agreement, the establishment of the Escrow Account, the acceptance of the money and Securities deposited in the Escrow Account, the purchase of the Securities, the retention of the Securities or the proceeds thereof or any payment, transfer or other

application of money or securities by the Escrow Holder or any act, omission or error of the Escrow Holder made in good faith in the conduct of its duties and not constituting negligence. The Escrow Holder shall, however, be liable to the State for its negligent or willful acts, omissions or errors which violate or fail to comply with the terms of this Agreement. The duties and obligations of the Escrow Holder shall be determined by the express provisions of this Agreement. The Escrow Holder may consult with counsel, who may or may not be counsel to the State, and in reliance upon the opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Holder shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under the Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the State.

Section 8. Resignation of Escrow Holder. The Escrow Holder may resign and thereby become discharged from the duties and obligations hereby created, by notice in writing given to the State and published once in a newspaper or newspapers of general circulation published in the territorial limits of the State, and in a daily newspaper of general circulation or a financial journal published in the Borough of Manhattan, City and State of New York, not less than sixty (60) days before such resignation shall take effect. Such resignation shall take effect immediately upon the appointment of a new Escrow Holder hereunder, if such new Escrow Holder shall be appointed before the time limited by such notice and shall then accept The duties and obligations thereof If no appointment of a successor Escrow Holder shall be made pursuant to the foregoing provisions of this Section, the resigning Escrow Holder may apply to any court of competent jurisdiction to appoint a successor Escrow Holder. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Escrow Holder.

Section 9. Removal of Escrow Holder. (a) The Escrow Holder may be removed at any time by an instrument or concurrent instruments in writing, executed by the holders of not less than fifty-one percent (51%) in aggregate principal amount of the 2004A Refunded Bonds then outstanding, such instruments to be filed with the State, and notice in writing given by such holders to the State and published once in a newspaper or newspapers of general circulation published in the territorial limits of the State, and in a daily newspaper of general circulation or a financial journal published in the Borough of Manhattan, City and State of New York, not less than sixty (60) days before such removal is to take effect as stated in such instrument or instruments. A photographic copy of any instruments filed with the State under the provisions of this paragraph shall be delivered by the State to the Escrow Holder.

(b) The Escrow Holder may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Agreement with respect to the duties and obligations of the Escrow Holder, by any court of competent jurisdiction upon the application of the State or the holders of not less than ten percent (10%) in aggregate principal amount of the 2004A Refunded Bonds then outstanding.

Section 10. Successor Escrow Holder. (a) If at any time hereafter the Escrow Holder shall resign, be removed, be dissolved or otherwise become incapable of acting, or shall be taken over by any governmental official, agency, department or board, the position of Escrow Holder shall thereupon become vacant. If the position of Escrow Holder shall become vacant for any of the foregoing reasons or for any other reason, the State shall appoint an Escrow Holder to fill such vacancy. The State shall publish notice of any such appointment once in each week for four (4) successive weeks in a newspaper or newspapers of general circulation published in the territorial limits of the State and in a daily newspaper of general circulation or a financial journal published in the Borough of Manhattan, City and State of New York.

(b) At any time within one (1) year after such vacancy shall have occurred, the holders of a majority in principal amount of the 2004A Refunded Bonds then outstanding, by an instrument or concurrent instruments in writing, executed by all such bondholders and filed with the State, may appoint a successor Escrow Holder, which shall supersede any Escrow Holder theretofore appointed by the State. Photographic copies of each such instrument shall be delivered promptly by the State to the predecessor Escrow Holder and to the Escrow Holder so appointed by the bondholders.

(c) If no appointment of a successor Escrow Holder shall be made pursuant to the foregoing provisions of this section, the holder of any 2004A Refunded Bonds then outstanding, or any retiring Escrow Holder may apply to any court of competent jurisdiction to appoint a successor Escrow Holder. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Escrow Holder.

Section 11. Term. This Agreement shall commence upon its execution and delivery and shall terminate when the 2004A Refunded Bonds have been paid and discharged in accordance with the 2004A Resolution at which time all money and Securities in the Escrow Account, if any, shall be delivered to the State.

Section 12. Compensation for Escrow Holder. The State agrees to pay to the Escrow Holder reasonable compensation for its services and to pay all of its expenses, including counsel fees which it may incur in acting hereunder. To the extent that any portion of the compensation of the Escrow Holder has been agreed to by any separate agreement, such separate agreement shall control, to the extent so intended.

Section 13. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the State or Escrow Holder to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreements herein contained shall be null and void and shall be severed from the remaining covenants and agreements and shall in no way affect the validity of the remaining provisions of this Agreement.

Section 14. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as duplicate originals and shall constitute and be but one and the same instrument.

Section 15. Governing Law. This Agreement shall be construed under the laws of the State of South Carolina.

Section 16. Security for Accounts and Funds. All accounts and funds maintained or held pursuant to this Agreement shall be continuously secured in the same manner as other deposits of trust funds are secured by the Escrow Holder.

Section 17. Irrevocability. This Agreement may not be revoked or rescinded without the prior written consent of the holders of one hundred percent (100%) of the 2004A Refunded Bonds at the time outstanding.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

THE STATE OF SOUTH CAROLINA

By: _____
Curtis M. Loftis, Jr.
State Treasurer

ESCROW AGENT

By: _____
Title: _____

EXHIBIT A

AGGREGATE DEBT SERVICE REQUIREMENTS
FOR PURPOSES OF ESCROW DEPOSIT AGREEMENT

[DIRECT OBLIGATIONS/SLGS]

FORM OF NOTICE OF REDEMPTION

THE STATE OF SOUTH CAROLINA

Re: \$60,000,000 Transportation Infrastructure Bonds, Series 2004A:

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the resolution adopted by the South Carolina State Fiscal Accountability Authority authorizing the above Bonds, the State of South Carolina has elected to exercise its option to call for redemption on _____, 20__ an of the outstanding Bonds of the above issue at the redemption price of ____% of the principal amount thereof together with interest accrued thereon to _____, 20, The maturities and numbers of the Bonds to be redeemed are as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Bond Numbers</u>
----------------------	-------------------------	---------------------

Interest on the Bonds shall cease to accrue from and after above-mentioned redemption price will become due and payable.

Payment will be made at the Corporate Trust Office of [ESCROW AGENT], _____ upon surrender of said Bonds.

THE STATE OF SOUTH CAROLINA

Dated: _____

RESOLUTION

REQUESTING THE SOUTH CAROLINA STATE FISCAL ACCOUNTABILITY AUTHORITY TO ISSUE NOT EXCEEDING ELEVEN MILLION DOLLARS (\$11,000,000) GENERAL OBLIGATION STATE TRANSPORTATION INFRASTRUCTURE REFUNDING BONDS PURSUANT TO TITLE 11, CHAPTER 43, ARTICLE 5, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

Adopted By

BOARD OF DIRECTORS
OF THE
SOUTH CAROLINA
TRANSPORTATION INFRASTRUCTURE BANK

April 2, 2020

A RESOLUTION

REQUESTING THE SOUTH CAROLINA STATE FISCAL ACCOUNTABILITY AUTHORITY TO ISSUE NOT EXCEEDING ELEVEN MILLION DOLLARS (\$11,000,000) GENERAL OBLIGATION STATE TRANSPORTATION INFRASTRUCTURE REFUNDING BONDS PURSUANT TO TITLE 11, CHAPTER 43, ARTICLE 5, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK IN MEETING DULY ASSEMBLED:

Section 1. Findings of Fact.

As an incident to the adoption of this Resolution, the Board of Directors (the "Board") of the South Carolina Transportation Infrastructure Bank (the "SCTIB") hereby finds:

(a) The SCTIB and the South Carolina Department of Transportation (the "SCDOT") entered into an Intergovernmental Agreement, dated July 2, 2001, relating to the construction of a new bridge over the Cooper River in Charleston, South Carolina (the "Cooper River Bridge Project") whereby the SCDOT administered the Cooper River Bridge Project, which had a total cost of approximately \$650,000,000.

(b) The SCTIB and Charleston County, South Carolina ("Charleston County") entered into an Intergovernmental Agreement, dated July 2, 2001 (as amended), whereby Charleston County agreed to provide funding in the amount of \$75,000,000, payable \$3,000,000 per year for twenty-five (25) years (the "Charleston County Contribution"), to reimburse the SCTIB for part of its financial commitment to the Cooper River Bridge Project.

(c) The South Carolina State Ports Authority adopted a resolution, dated June 18, 2002, obligating it to contribute \$45,000,000, payable, (1) \$5,000,000 by June 30, 2002, (2) \$15,000,000 by June 30, 2003, and (3) \$1,000,000 per year for twenty-five (25) years commencing June 30, 2003 (the "Ports Authority Contribution"), to reimburse the SCTIB for part of its financial commitment to the Cooper River Bridge Project.

(d) On April 1, 2004, at the request of the SCTIB, the South Carolina State Fiscal Accountability Authority (f/k/a South Carolina State Budget Control Board) issued \$60,000,000 General Obligation State Transportation Infrastructure Bonds, Series 2004A (the "Series 2004A Bonds"), the proceeds of which were used to provide funds for expenditures authorized by Title 11, Chapter 43 of the Code of Laws of South Carolina 1976, as amended (the "Bond Enabling Act"), including the Cooper River Bridge Project.

(e) On May 3, 2012, at the request of the SCTIB, the South Carolina State Fiscal Accountability Authority (f/k/a South Carolina State Budget Control Board) issued \$28,745,000 General Obligation State Transportation Infrastructure Refunding Bonds, Series 2012A, the proceeds of which were used to refund and defease a part of the then outstanding Series 2004A Bonds.

(f) Pursuant to the provisions of the Bond Enabling Act, the SCTIB has determined, because of the current low interest rates, that it is in the interest of the SCTIB to request the South Carolina State Fiscal Accountability Authority to issue not exceeding \$11,000,000 General Obligation State Transportation Infrastructure Refunding Bonds, the proceeds of which will be used to pay all or a part of the remaining outstanding Series 2004A Bonds.

(f) The Bond Enabling Act requires, as a condition precedent to the issuance of general obligation bonds, that the SCTIB provide a source of revenues to reimburse the general fund of the State for the principal and interest on the bonds.

(g) The proceeds of the refunding bonds will be expended not later than April 1, 2021.

Section 2. Request for the Issuance of General Obligation State Transportation Infrastructure Bonds.

The Board, pursuant to the provisions of the Bond Enabling Act and this Resolution, hereby formally requests the South Carolina State Fiscal Accountability Authority to issue not exceeding \$11,000,000 General Obligation State Transportation Infrastructure Refunding Bonds. The Secretary of the Board is hereby directed to deliver a certified copy of this Resolution to South Carolina State Fiscal Accountability Authority and the Joint Bond Review Committee.

Section 3. Source of funds to Reimburse the General Fund of the State.

As required by the provisions of the Bond Enabling Act, the SCTIB hereby confirms its existing pledge of the Charleston County Contribution and the Ports Authority Contribution to reimburse the general fund of the State for the payment of the principal and interest on the not to exceed \$11,000,000 General Obligation State Transportation Infrastructure Refunding Bonds.

Section 4. Debt Service Schedules.

Debt service schedules for (a) annual principal and interest requirements of the currently outstanding General Obligation State Transportation Infrastructure Refunding Bonds, (b) the proposed not exceeding \$11,000,000 General Obligation State Transportation Infrastructure Refunding Bonds at prevailing rates, and (c) the annual principal and interest requirements for all General Obligation State Transportation Infrastructure Bonds currently outstanding including the proposed issue of not exceeding \$11,000,000 at prevailing rates after giving effect to the defeasance of refunded bonds, are attached hereto as Exhibit A.

Section 5. Execution of Closing Documents and Certificates.

The Chairman and Secretary of the Board, and all other officers of the SCTIB, are fully authorized and empowered to take such action and to execute and deliver such closing documents as may be necessary and proper in order to complete the borrowing herein authorized and the action of such officers or any one or more of them in executing and delivering any of such documents, in such form as he or they shall approve, is hereby fully authorized.

Section 6. Law and Place of Enforcement of the Resolution.

This Resolution shall be construed and interpreted in accordance with the laws of the State of South Carolina and all suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in this State.

Section 7. Effect of Section Headings and Table of Contents.

The heading or titles of the several Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

Section 8. Repeal of Inconsistent Resolutions.

All resolutions of the Board, and any part of any resolution, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

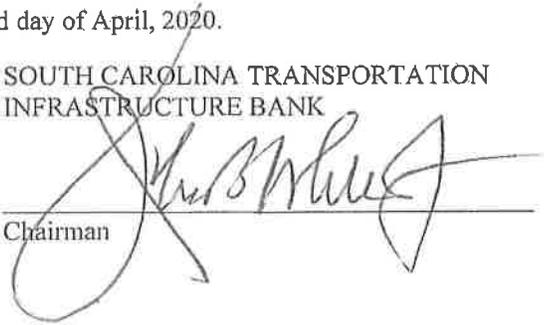
Section 9. Effectiveness of this Resolution.

This Resolution shall become effective upon its adoption.

Done in meeting duly assembled this 2nd day of April, 2020.

SOUTH CAROLINA TRANSPORTATION
INFRASTRUCTURE BANK

(SEAL)



Chairman

ATTEST:



Secretary

[Signature Page to Resolution of the SIB]

EXHIBIT A

DEBT SERVICE TABLE SHOWING
THE ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS FOR THE
CURRENTLY OUTSTANDING
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE TRANSPORTATION INFRASTRUCTURE BONDS
(PRE-REFUNDING)

Fiscal Year Ending	Existing Debt Service		Total Debt Service
	Principal	Interest	
June 30, 2020	\$ 2,595,000	\$ 543,413	\$ 3,138,413
June 30, 2021	2,695,000	957,075	3,652,075
June 30, 2022	2,805,000	822,325	3,627,325
June 30, 2023	2,915,000	682,075	3,597,075
June 30, 2024	3,035,000	536,325	3,571,325
June 30, 2025	3,155,000	384,575	3,539,575
June 30, 2026	3,580,000	305,700	3,885,700
June 30, 2027	3,730,000	198,300	3,928,300
June 30, 2028	2,880,000	86,400	2,966,400
Total	\$ 27,390,000	\$ 4,516,188	\$ 31,906,188

PRO-FORMA DEBT SERVICE REQUIREMENTS OF
NOT EXCEEDING ELEVEN MILLION DOLLARS (\$11,000,000)
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE TRANSPORTATION INFRASTRUCTURE
REFUNDING BONDS,
COMPUTED AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	New Issue Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2021	\$ -	\$ 107,651	\$ 107,651
June 30, 2022	-	136,460	136,460
June 30, 2023	-	136,460	136,460
June 30, 2024	-	136,460	136,460
June 30, 2025	-	136,460	136,460
June 30, 2026	3,625,000	136,460	3,761,460
June 30, 2027	3,665,000	94,047	3,759,047
June 30, 2028	3,710,000	48,601	3,758,601
Total	\$ 11,000,000	\$ 932,597	\$ 11,932,597

*Preliminary, subject to change.

DEBT SERVICE TABLE SHOWING
THE ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS FOR ALL
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE TRANSPORTATION INFRASTRUCTURE BONDS
CURRENTLY OUTSTANDING
INCLUDING THE PROPOSED ISSUE OF ELEVEN MILLION DOLLARS (\$11,000,000) OF
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE TRANSPORTATION INFRASTRUCTURE
REFUNDING BONDS,
COMPUTED AT PREVAILING RATES OF INTEREST
AFTER GIVING EFFECT TO THE DEFEASANCE OF THE REFUNDED BONDS

Fiscal Year Ending	Combined Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2020	\$ 2,595,000	\$ 543,413	\$ 3,138,413
June 30, 2021	2,695,000	759,026	3,454,026
June 30, 2022	2,805,000	653,085	3,458,085
June 30, 2023	2,915,000	512,835	3,427,835
June 30, 2024	3,035,000	367,085	3,402,085
June 30, 2025	3,155,000	215,335	3,370,335
June 30, 2026	3,625,000	136,460	3,761,460
June 30, 2027	3,665,000	94,047	3,759,047
June 30, 2028	3,710,000	48,601	3,758,601
Total	<u>\$ 28,200,000</u>	<u>\$ 3,329,884</u>	<u>\$ 31,529,884</u>

*Preliminary, subject to change.

Burr & Forman, LLP
100 Calhoun Street
Suite 400
Charleston, SC 29401

Mailing Address
Post Office Box 1431
Charleston, SC 29402

Office (843) 723-7831
Fax (843) 722-3227

BURR.COM

_____, 2020

South Carolina State Fiscal Accountability Authority
Columbia, South Carolina

**Re: \$_____ General Obligation State Transportation Infrastructure Refunding Bonds,
Series 2020A, of the State of South Carolina**

Ladies and Gentlemen:

We have acted as bond counsel to the State of South Carolina (the “State”) in connection with the issuance of \$_____ General Obligation State Transportation Infrastructure Refunding Bonds, Series 2020A, of the State of South Carolina (the “Bonds”), dated _____, 2020. In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to and in accordance with the Constitution and Laws of the State of South Carolina, including, particularly, the provisions of Section 11-43-110 through 11-43-630, inclusive, as supplemented by Section 11-27-30 of the Code of Laws of South Carolina, 1976, as amended (collectively, the “Bond Enabling Act”), and a resolution duly adopted on [June 30, 2020] by the South Carolina State Fiscal Accountability Authority (the “Resolution”).

Regarding questions of fact material to our opinion, we have relied upon the Transcript of Proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the State and are valid and binding general obligations of the State.
2. The full faith, credit, and taxing power of the State without limitation are pledged to the payment of the principal of and interest on the Bonds as they become due and payable. The State is required by law to levy sufficient tax revenues to provide for the payment of the principal of and interest on the Bonds to the extent that necessary funds are not provided from other sources.

3. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of specific preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the State comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The State has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

4. The Bonds and the interest thereon are exempt from all State of South Carolina, county, municipal, school district and other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purposes of general revenue or otherwise, except for inheritance, estate or transfer taxes, but may be includable for certain franchise fees or taxes.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement dated _____, 2020, or the Official Statement dated _____, 2020, relating to the Bonds.

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.

Sincerely,

BURR & FORMAN LLP



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 06/30/20

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: State of South Carolina Series: 2020A
 Borrower (if not Issuer): South Carolina Transportation Infrastructure Bank
 Bond Caption: General Obligation State Transportation Infrastructure Refunding Bonds
 Bond Resolution Amount: \$11,000,000.00 Est. Production/Par Amt: \$9,345,000.00

(* Used to calculate initial COI percentages; STO bond issues must use Par Amt *)
Final Production/Par Amt: \$0.00

Submitted By:

ENTITY: Public Resources Advisory Group ("PRAG")
 BY: Daniel Forman
 ITS: Senior Managing Director
 Tel: 212.566.7800
 Email: dforman@pragadvisors.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): Y
 MSRB (EMMA) Continuing Disclosure Responsible Party: _____

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: _____
 Project Address/Location: _____ Amount: \$0.00
 Project Type: _____ County: _____
 Projected Avg Interest Rate: _____ Final Maturity: 01/00/00

3. FINANCING (REFUNDED PORTION)

Series/Type Refunded	Refunded Maturity	Principal Refunded	Rate of Refunded Bds.	Rate Yield of Refunding Bds.	Est NPV Sgns. (\$)	Est NPV Sgns. (% of Ref. Bds)
2004A	2026-2028	\$ 10,190,000.00	3.00%	1.12%	\$ 1,013,059.00	9.94%
		\$			\$	
		\$			\$	
Total		\$ 10,190,000.00	*****	*****	\$ 1,013,059.00	9.94%

4. FINANCING WORKING GROUP

Financial Advisor: Public Resources Advisory Group Disclosure Counsel: Howell Linkous & Nettles
 Bond Counsel: Burr Forman McNair Issuer's Counsel: _____
 Underwriter: TBD Trustee: _____
 Paying Agent: _____ Other: _____

5. FINANCING/PROJECT DESCRIPTION

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

The proposed 2020A Series will refund the remaining outstanding maturities of the 2004A General Obligation State Transportation Infrastructure Bonds, Series 2004A, generating present value savings for the State.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	04/02/20	
JBRC Approval:	06/23/20	
SFAA Approval:	06/30/20	Proposed

Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower 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) 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 - []
Cost Estimate - [] \$0

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
\$ 10,476,906.35	6/30/2021	Escrow Spending and Cost of Issuance
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 10,476,906.35		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 9,345,000.00	\$	Project Fund
(b) Premium/Accr. Int.	\$ 1,131,906.35	\$	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$	\$	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	\$ 10,278,913.38	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 197,992.97	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify) Type -	\$	\$	Accrued Interest
Residual Project Sources		\$	Other
(6) Other		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Sources	\$ 10,476,906.35	\$ 10,476,906.35	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)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	PRAG			\$ 27,500.00	\$	\$ 27,500.00
Bond Counsel	Burr Forman McNair			\$ 18,750.00	\$	\$ 18,750.00
Disclosure Counsel	Howell Linkous & Nettles			\$ 18,750.00	\$	\$ 18,750.00
Issuer's Counsel				\$	\$	\$
Underwriter's Counsel				\$	\$	\$
Transaction Counsel				\$	\$	\$
Legal Expenses				\$	\$	\$
Rating Agency - S&P				\$ 32,500.00	\$	\$ 32,500.00
Rating Agency - Moody's				\$ 25,000.00	\$	\$ 25,000.00
Rating Agency - Fitch				\$ 18,000.00	\$	\$ 18,000.00
Underwriter's Compensation				\$ 46,725.00	\$	\$ 46,725.00
Registrar / Paying Agent				\$ 3,000.00	\$	\$ 3,000.00
Escrow Agent				\$ 2,000.00	\$	\$ 2,000.00
Accountant				\$	\$	\$
Verification Agent				\$ 1,500.00	\$	\$ 1,500.00
Printing				\$ 1,000.00	\$	\$ 1,000.00
Publishing				\$ 1,000.00	\$	\$ 1,000.00
Advertising				\$ 1,000.00	\$	\$ 1,000.00
Contingency				\$ 1,267.97	\$	\$ 1,267.97
Issuer's Fee	SC JEDA / SC SHFDA			\$	\$	\$
				\$ 197,992.97	\$	\$ 197,992.97

Est. / Actual COI Fees (% of Transaction):

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

0.29%	#DIV/0!
0.20%	#DIV/0!
0.40%	#DIV/0!
0.81%	#DIV/0!

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

0.50%	#DIV/0!
0.12%	#DIV/0!
2.12%	#DIV/0!

MEETING OF June 30, 2020

ITEM NUMBER 5AGENCY: Department of Administration, Facilities Management and Property ServicesSUBJECT: SC Commission on Higher Education Lease at 1122 Lady Street, Columbia, SC

The SC Commission on Higher Education (CHE) requests approval to lease no more than 17,528 square feet of office space at 1122 Lady Street in Columbia, SC from 1122 Lady Novel Coworking, LLC. CHE currently leases 23,461 square feet at 1122 Lady Street at a rate of \$11.93/SF. The current lease expires on June 30, 2020.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space. Ten responses were received. Seven locations were eliminated based on price and one based on location, space configuration, and parking concerns. Of the remaining two proposals, CHE originally proposed selecting the alternative space, however, due to a myriad of factors, including uncertainty around COVID-19 and a revised offer from the proposed Landlord, the selected location, which will include 32 workstations at no additional cost, is less expensive per square foot, and will save the agency from paying higher moving costs, is overall the best option.

The lease term will be ten years commencing on July 1, 2020. The monthly rental rate for the first year will be \$17.50 per square foot, for a maximum annual aggregate amount of \$306,740.00. Thereafter, the rate increases by \$.50 per square foot annually. The maximum total rent to be paid over the 10-year term will be \$3,461,780 as shown in the chart below.

<u>TERM</u>	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	7/1/2020 - 6/30/2021	\$306,740	\$25,562	\$17.50
YEAR 2	7/1/2021 - 6/30/2022	\$315,504	\$26,292	\$18.00
YEAR 3	7/1/2022 - 6/30/2023	\$324,268	\$27,022	\$18.50
YEAR 4	7/1/2023 - 6/30/2024	\$333,032	\$27,753	\$19.00
YEAR 5	7/1/2024 - 6/30/2025	\$341,796	\$28,483	\$19.50
YEAR 6	7/1/2025 - 6/30/2026	\$350,560	\$29,213	\$20.00
YEAR 7	7/1/2026 - 6/30/2027	\$359,324	\$29,944	\$20.50
YEAR 8	7/1/2027 - 6/30/2028	\$368,088	\$30,674	\$21.00
YEAR 9	7/1/2028 - 6/30/2029	\$376,852	\$31,404	\$21.50
YEAR 10	7/1/2029 - 6/30/2030	\$385,616	\$32,135	\$22.00

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Commission on Higher Education Lease at 1122 Lady Street, Columbia, SC

Tenant will be guaranteed up to twenty-four (24) parking spaces in the Building's basement garage for the Term of the Lease ("Parking Allotment") at \$45.00 per space per month, half the cost of the Landlord's current monthly rate. Additional parking spaces at market rates are also available in the basement garage and the City of Columbia parking garage located adjacent to the building.

The following chart represents comparable lease rates of similar space in the Columbia area:

Tenant	Location	Rate /SF
SC Department of Natural Resources	2025 Barnwell Street	\$19.11
Office of the Attorney General	1201 Main Street	\$19.06
Vacant	1600 Williams St	\$19.50

*The above rates are subject to base rent and/or operating expense escalations.

CHE has adequate funds for the lease according to a Budget Approval Form submitted April 10, 2020. Lease payments will be made from a combination of state appropriations, Federal funds, and revenue generated from PASCAL subscriptions and licensing

No option to purchase the property is included in the lease. The Joint Bond Review Committee approved this lease at its June 23, 2020 meeting.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management and Property Services, on behalf of the SC Commission on Higher Education, approve the proposed ten-year lease of no more than 17,528 square feet of office space at 1122 Lady Street in Columbia, SC from 1122 Lady Novel Coworking, LLC.

ATTACHMENTS:

Agenda item worksheet; Letter from CHE dated April 10, 2020; SC Code of Laws Sections 1-11-55 and 1-11

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 30, 2020

Regular Agenda

1. Submitted by:

- (a) Agency: Department of Administration
- (b) Authorized Official Signature:


Ashlie Lancaster, Director

2. Subject: SC Commission on Higher Education Lease at 1122 Lady Street, Columbia, SC

3. Summary Background Information:

The SC Commission on Higher Education (CHE) requests approval to lease no more than 17,528 square feet of office space at 1122 Lady Street in Columbia, SC from 1122 Lady Novel Coworking, LLC. CHE currently leases 23,461 square feet at 1122 Lady Street at a rate of \$11.93/SF. The current lease expires on June 30, 2020.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space. Ten responses were received. Seven locations were eliminated based on price and one based on location, space configuration, and parking concerns. Of the remaining two proposals, CHE originally proposed selecting the alternative space, however, due to a myriad of factors, including uncertainty around COVID-19 and a revised offer from the proposed Landlord, the selected location, which will include 32 workstations at no additional cost, is less expensive per square foot, and will save the agency from paying higher moving costs, is overall the best option.

The lease term will be ten years commencing on July 1, 2020. The monthly rental rate for the first year will be \$17.50 per square foot, for a maximum annual aggregate amount of \$306,740.00. Thereafter, the rate increases by \$.50 per square foot annually. The maximum total rent to be paid over the 10-year term will be \$3,461,780 as shown in the chart below.

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Vacant	1600 Williams St	\$19.50

*The above rates are subject to base rent and/or operating expense escalations.

CHE has adequate funds for the lease according to a Budget Approval Form submitted April 10, 2020. Lease payments will be made from a combination of state appropriations, Federal funds, and revenue generated from PASCAL subscriptions and licensing.

No option to purchase the property is included in the lease. The Joint Bond Review Committee approved this lease at its June 23, 2020 meeting.

4. What is the Authority asked to do? Approve the proposed ten-year lease.

5. What is recommendation of the division of Facilities Management and Property Services? Approval of the proposed ten-year lease.

6. List of Supporting Documents:

- (a) Letter from CHE dated April 10, 2020
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



SOUTH CAROLINA
COMMISSION ON HIGHER EDUCATION

RUSTY MONHOLLON, Ph.D.
PRESIDENT & EXECUTIVE DIRECTOR

April 10, 2020

Ms. Ashlie Lancaster, Director
Division of Facilities Management and Property Services
South Carolina Department of Administration
1200 Senate Street, Suite 460
Columbia, SC 29201

RE: Lease for 1122 Lady Street, Columbia

Dear Ms. Lancaster,

The South Carolina Commission on Higher Education (CHE) respectfully requests that the Department of Administration present for approval a proposed lease to rent no more than 17,528 square feet of space at 1122 Lady Street in Columbia to the Joint Bond Review Committee and the State Fiscal Accountability Authority. Both the CHE and PASCAL, the Partnership Among South Carolina Academic Libraries, staff will use the space. Our current lease at 1122 Lady Street expires on June 30, 2020, and, based on the state space standards, is larger than the agency needs to conduct its business. The CHE received and reviewed ten proposals to the Department of Administration's solicitation.

Originally, the CHE negotiated with and sought space at 500 Taylor Street for review by JBRC at its March 18, 2020 meeting. However, due to myriad factors, including uncertainty around COVID-19, and a follow-up offer from 1122 Lady Street, the CHE broke off negotiations and now seeks space at 1122 Lady Street.

The CHE's current lease at 1122 Lady Street is a sublease that expires on June 30, 2020, with no holdover provisions. By staying in the same building with the same landlord, the uncertainty surrounding state approval, time to complete renovations, and potential move date is mitigated compared with seeking space at another building. While the annual price at 500 Taylor Street is less than 1122 Lady Street, that is because the rentable square footage is less. The 1122 Lady Street proposal has a lower price per square foot. Further, most of the additional square footage at 1122 Lady Street will be utilized by PASCAL as a training facility and paid for by PASCAL subscription fees, which was not part of the lease proposal at 500 Taylor Street due to that proposed space being cost prohibitive for PASCAL. In addition, the 1122 Lady Street location has the added benefit of being walking distance to the Capitol Grounds compared with the space at 500 Taylor Street.

The CHE requests the maximum lease of 10 years and intends to pay through a combination of state appropriations, federal funds, and revenue generating from its licensing functions and PASCAL subscription fees. Monthly rent in year one, not adjusted for any potential abated rent, is no more than \$25,562, which will increase by no more than \$730 each fiscal year.

Thank you for your assistance throughout the process and for consideration of this request.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rusty Monhollon".

Rusty Monhollon, Ph.D.
President & Executive Director

SECTION 1-11-55. Leasing of real property for governmental bodies.

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Division of General Services of the Department of Administration is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Division of General Services of its requirement on rental request forms prepared by the division. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The department shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Division of General Services of the Department of Administration or his designee.

HISTORY: 1997 Act No. 153, Section 2; 2002 Act No. 333, Section 1; 2002 Act No. 356, Section 1, Pt VI.P(1); 2011 Act No. 74, Pt VI, Section 13, eff August 1, 2011; 2013 Act No. 31, Section 1, eff May 21, 2013; 2014 Act No. 121 (S.22), Pt V, Section 7.A, eff July 1, 2015.

Code Commissioner's Note

The last sentence in subsection (2), which was added by 2011 Act No. 74, was inadvertently omitted from 2014 Act No. 121 due to a scrivener's error. At the direction of the Code Commissioner, this sentence has been retained in subsection (2).

Effect of Amendment

The 2011 amendment, in subsection (2), added the third sentence relating to technical colleges.

The 2013 amendment, in subsection (1), substituted "Legislative Services Agency" for "Office of Legislative Printing, Information and Technology Systems".

2014 Act No. 121, Section 7.A, in subsection (1), substituted "agency, government corporation, or other establishment or official of the executive branch" for "legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches"; in subsection (2), substituted "Division of General Services of the Department of Administration" for "Budget and Control Board"; in subsection (3) substituted "division" for "office" in three instances, and substituted "department" for "board"; in subsection (4), substituted "department" for "board"; and in subsection (5), substituted "Division of General Services of the Department of Administration" for "Office of General Services".

SECTION 1-11-56. Program to manage leasing; procedures.

(A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:

(1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;

(2) establishing standards for the quality and quantity of space to be leased by a requesting agency;

(3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:

(a) a nonappropriation for the renting agency;

(b) a dissolution of the agency; and

- (c) the availability of public space in substitution for private space being leased by the agency;
 - (4) rejecting an agency's request for additional space or space at a specific location, or both;
 - (5) directing agencies to be located in public space, when available, before private space can be leased;
 - (6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
 - (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.
- (B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.
- (C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

HISTORY: 1997 Act No. 153, Section 2; 2014 Act No. 121 (S.22), Pt V, Section 7.B, eff July 1, 2015.

Effect of Amendment

2014 Act No. 121, Section 7.B, added subsection designator (A); in subsection (A), substituted "Division of General Services of the Department of Administration" for "State Budget and Control Board", substituted "a governmental body" for "state agencies", and added the second sentence relating to regulations; in subsection (A)(6), substituted "department" for "board's budget office", and deleted text relating to prior review by the Joint Bond Review Committee; rewrote subsection (A)(7); and added subsections (B) and (C) .

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: MUSC Lease-Out to Green and Healthy, Inc., 0.34393 acres, a Portion of Peninsula of Charleston, SC, generally bounded by Lockwood Drive, Alberta Long Lake, Bee Street, Rutledge Avenue and Calhoun Street

The Medical University of South Carolina (MUSC) desires to lease 0.343393 acres in Charleston, SC (the "Premises") to Green and Healthy, Inc., a South Carolina nonprofit corporation, in furtherance of a desire among owners and affiliates of the owners that own portions of facilities or land comprising a portion of the peninsula of Charleston, SC, generally bounded by Lockwood Drive, Alberta Long Lake, Bee Street, Rutledge Avenue and Calhoun Street (such area, the "Medical District") to foster collegial development patterns and make certain infrastructure improvements to facilitate mobility and service delivery by and among medical providers and more particularly to be developed into a pedestrian campus-like setting (the "Medical District Greenway").

MUSC has advised that the installation of the Medical District Greenway will benefit the mission of MUSC to preserve and optimize human life in South Carolina and beyond by promoting a healthier, more livable and workable atmosphere which is critical to the enrichment and preservation of MUSC students, patients, visitors and employees.

The lease term will be twenty-five (25) years (the "Term"). As the Medical District Greenway will benefit MUSC, nominal rental will be paid to MUSC in the amount of \$1.00 per year.

Generally, at the end of the Term, the Tenant will be required to return the Premises to MUSC in its original condition, changes in topography (as opposed to structures) excepted.

The Medical District Greenway will be constructed, developed, operated, managed and maintained by Green and Healthy, Inc. with their funds. If at any time during the Term, the Premises cease to function as the Medical District Greenway, then this Lease shall be immediately terminated and the Premises shall be returned to MUSC in its original condition, changes in topography (as opposed to structures) excepted.

No option to purchase the property is included in the Lease.

MUSC has advised that this Lease does not require approval by the MUSC Board of Trustees or CHE. The Joint Bond Review Committee approved this Lease at its June 23, 2020 meeting.

AUTHORITY ACTION REQUESTED:

As requested by the Medical University of South Carolina through the Department of Administration, Facilities Management and Property Services, approve the Medical University lease out of 0.343393 acres in Charleston, SC to Green and Healthy, Inc.

ATTACHMENTS:

Agenda item worksheet; Letter from MUSC dated April 29, 2020; SC Code of Laws Sections 1-11-55 and 1-11-56; Location Map

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: **June 30, 2020**

Regular Agenda

1. Submitted by:

- (a) Agency: Department of Administration
- (b) Authorized Official Signature:


Ashlie Lancaster, Director

2. Subject: MUSC Lease-Out to Green and Healthy, Inc., 0.343393 acres, a portion of peninsula of Charleston, SC generally bounded by Lockwood Drive, Alberta Long Lake, Bee Street, Rutledge Avenue and Calhoun Street

3. Summary Background Information:

The Medical University of South Carolina (MUSC) desires to lease 0.343393 acres in Charleston, SC (the "Premises") to Green and Healthy, Inc., a South Carolina nonprofit corporation, in furtherance of a desire among owners and affiliates of the owners that own portions of facilities or land comprising a portion of the peninsula of Charleston, SC, generally bounded by Lockwood Drive, Alberta Long Lake, Bee Street, Rutledge Avenue and Calhoun Street (such area, the "Medical District") to foster collegial development patterns and make certain infrastructure improvements to facilitate mobility and service delivery by and among medical providers and more particularly to be developed into a pedestrian campus-like setting (the "Medical District Greenway").

MUSC has advised that the installation of the Medical District Greenway will benefit the mission of MUSC to preserve and optimize human life in South Carolina and beyond by promoting a healthier, more livable and workable atmosphere which is critical to the enrichment and preservation of MUSC students, patients, visitors and employees.

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The Medical District Greenway will be constructed, developed, operated, managed and maintained by Green and Healthy, Inc. with their funds. If at any time during the Term, the Premises cease to function as the Medical District Greenway, then this Lease shall be immediately terminated and the Premises shall be returned to MUSC in its original condition, changes in topography (as opposed to structures) excepted.

No option to purchase the property is included in the Lease.

MUSC has advised that this Lease does not require approval by the MUSC Board of Trustees or CHE. The Joint Bond Review Committee approved this Lease at its June 23, 2020 meeting.

4. What is the Authority asked to do? Approve the proposed lease-out from MUSC.

5. What is recommendation of the division of Facilities Management and Property Services? Consider approval of the proposed lease-out.

6. List of Supporting Documents:

- (a) Letter from MUSC dated April 29, 2020
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56
- (c) Location Map



MUSC Real Estate Group
1180 Sam Rittenberg Blvd., Suite 200
Charleston, SC 29407

April 29, 2020

Ashlie Lancaster
Innovations Director
Office of the Executive Director
Department of Administration
1200 Senate Street, Suite 460
Columbia, SC 29201

RE: Request for Leaseout – MUSC Greenway

Dear Ms. Lancaster:

The Medical University of South Carolina (MUSC) requests approval from the SC State Fiscal Accountability Authority and the Joint Bond Review Committee for the leaseout of green space to Green and Healthy Inc., a not for profit corporation, as part of the Charleston Greenway Project which utilizes a parking lot and sidewalk along the areas described in the attached lease draft. The Greenway Project is a philanthropic project designed to create more public space for patients, visitors and staff at MUSC and surrounding communities. This leaseout supports the MUSC Mission to preserve and optimize human life in South Carolina and beyond by promoting a healthier, more livable and workable atmosphere which is critical to the enrichment and preservation of our students, patients, visitors and employees.

This leaseout is exempt from the MUSC Board of Trustees and SC Commission on Higher Education. Please submit this request for the June 23, 2020 JBRC meeting and the June 30, 2020 SFAA meeting.

Requested Lease Term:

Lease Term: 25 Years [7/1/2020 – 6/30/2045]
Lease Type: NNN
Total Term Rent: \$25.00 / \$1.00 per year

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Rachel Jones".

Rachel Jones
Medical University of South Carolina
Leasing Manager

SECTION 1-11-55. Leasing of real property for governmental bodies.

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Division of General Services of the Department of Administration is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Division of General Services of its requirement on rental request forms prepared by the division. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The department shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Division of General Services of the Department of Administration or his designee.

HISTORY: 1997 Act No. 153, Section 2; 2002 Act No. 333, Section 1; 2002 Act No. 356, Section 1, Pt VI.P(1); 2011 Act No. 74, Pt VI, Section 13, eff August 1, 2011; 2013 Act No. 31, Section 1, eff May 21, 2013; 2014 Act No. 121 (S.22), Pt V, Section 7.A, eff July 1, 2015.

Code Commissioner's Note

The last sentence in subsection (2), which was added by 2011 Act No. 74, was inadvertently omitted from 2014 Act No. 121 due to a scrivener's error. At the direction of the Code Commissioner, this sentence has been retained in subsection (2).

Effect of Amendment

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The 2013 amendment, in subsection (1), substituted "Legislative Services Agency" for "Office of Legislative Printing, Information and Technology Systems".

2014 Act No. 121, Section 7.A, in subsection (1), substituted "agency, government corporation, or other establishment or official of the executive branch" for "legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches"; in subsection (2), substituted "Division of General Services of the Department of Administration" for "Budget and Control Board"; in subsection (3) substituted "division" for "office" in three instances, and substituted "department" for "board"; in subsection (4), substituted "department" for "board"; and in subsection (5), substituted "Division of General Services of the Department of Administration" for "Office of General Services".

SECTION 1-11-56. Program to manage leasing; procedures.

(A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:

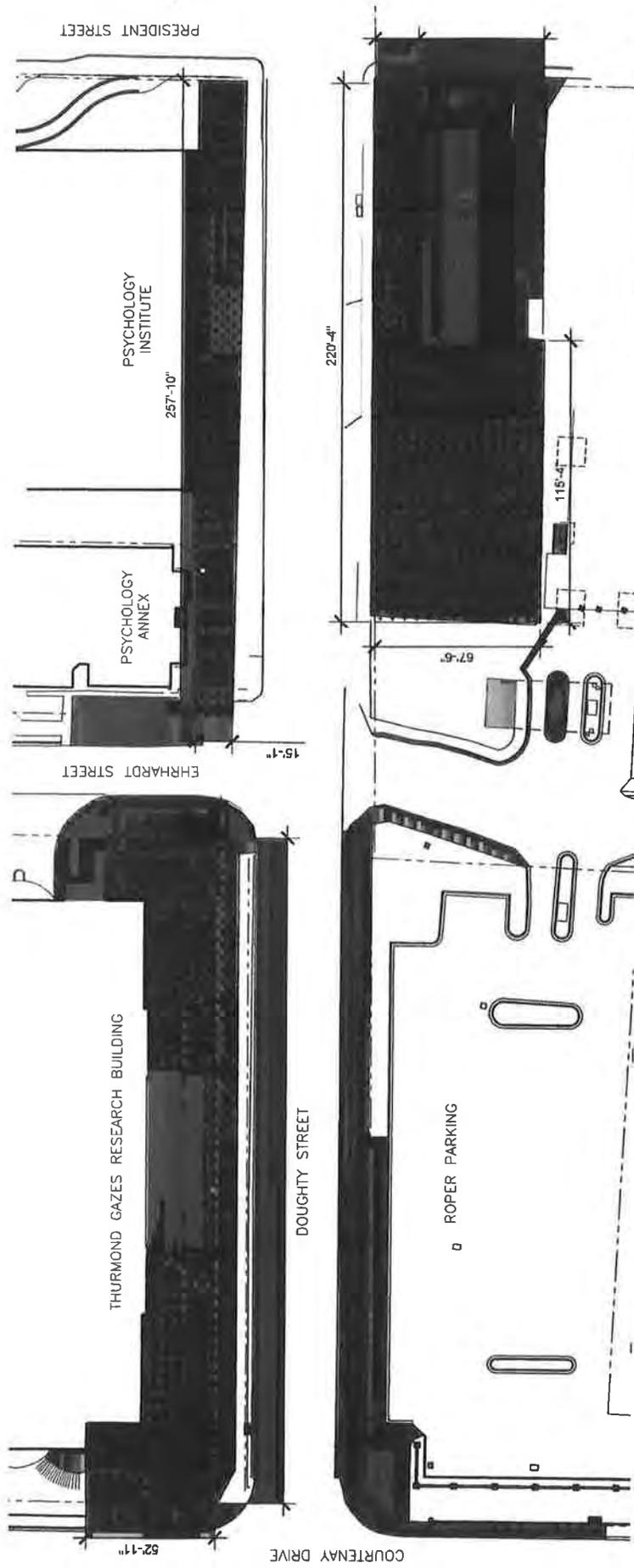
- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
- (2) establishing standards for the quality and quantity of space to be leased by a requesting agency;
- (3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:
 - (a) a nonappropriation for the renting agency;
 - (b) a dissolution of the agency; and

- (c) the availability of public space in substitution for private space being leased by the agency;
 - (4) rejecting an agency's request for additional space or space at a specific location, or both;
 - (5) directing agencies to be located in public space, when available, before private space can be leased;
 - (6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
 - (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.
- (B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.
- (C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

HISTORY: 1997 Act No. 153, Section 2; 2014 Act No. 121 (S.22), Pt V, Section 7.B, eff July 1, 2015.

Effect of Amendment

2014 Act No. 121, Section 7.B, added subsection designator (A); in subsection (A), substituted "Division of General Services of the Department of Administration" for "State Budget and Control Board", substituted "a governmental body" for "state agencies", and added the second sentence relating to regulations; in subsection (A)(6), substituted "department" for "board's budget office", and deleted text relating to prior review by the Joint Bond Review Committee; rewrote subsection (A)(7); and added subsections (B) and (C) .



LEGEND

-  PROPERTY FOR LEASE
-  PROPERTY LINE

NOTE: LEASABLE AREA SHALL EXTEND TO THE RIGHT OF WAY

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Clemson University Lease of 1 Research Drive, Greenville, SC

Clemson University’s College of Engineering, Computing and Applied Sciences (CECAS) currently leases approximately 11,300 square feet of space in Greenville on the CU-ICAR Campus. The CECAS has experienced dramatic, unanticipated growth and is need of additional space to support this growth. Therefore, Clemson University (Clemson) requests approval to extend the existing term by three years and add 12,700 square feet to their current lease for a total of 24,000 square feet of office space at 1 Research Drive in Greenville, SC from LICAR, LLC, a South Carolina limited liability company, whose sole member is Clemson University Land Stewardship Foundation, Inc.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space. Three proposals were received with the selected location submitting the lowest bid. Additionally, the other two proposals do not have space immediately available and include construction renovation fees. These proposals would entail extensive costs for relocation and construction, and since they are not located in close proximity to existing facilities at CU-ICAR, travel time and loss of synergy would reduce productivity. The proposal for 1 Research Drive is immediately adjacent to the current rented space and already upfitted, which saves moving and construction costs, and the space is accordingly selected as the optimum site.

The lease term will be five years commencing on June 1, 2020, with the option to extend the term for up to one additional term of five years. The basic rental rate for the first year of the term will be \$16.00 per square foot (which is the same as their current lease rate), for an annual aggregate amount of \$384,000.00. The basic rent will increase annually by two percent (2%) as shown in the chart below. The total basic rent to be paid over the 5-year term will be \$1,998,480.00.

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>RENT PER SF ROUNDED</u>
YEAR 1	\$384,000.00	\$16.00
YEAR 2	\$391,680.00	\$16.32
YEAR 3	\$399,600.00	\$16.65
YEAR 4	\$407,520.00	\$16.98
YEAR 5	\$415,680.00	\$17.32

Clemson will be responsible for all operating costs which are estimated at \$6.50 per square foot.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Clemson University Lease of 1 Research Drive, Greenville, SC

The following chart represents comparable lease rates of similar space:

Tenant	Location	Rate /SF
Vacant	2000 Wade Hampton Blvd., Greenville	\$16.50
Vacant	200 Executive Center Drive, Greenville	\$21.00

*Above rates subject to operating expenses and base rent escalations.

Clemson has adequate funds for the lease according to a Budget Approval Form submitted April 8, 2020, which also includes a multi-year plan. Lease payments will be funded through grant overhead recoveries. Clemson has indicated that no student fee increase will be associated with this lease. No option to purchase the property is included in the lease. The lease was approved by Clemson University Board of Trustees on February 7, 2020, by the Commission on Higher Education on June 22, 2020, and by JBRC on June 23, 2020.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management and Property Services, approve Clemson University's request to extend the existing lease term on the CU-ICAR Campus by three years and add 12,700 square feet to their current lease for a total of 24,000 square feet of office space at 1 Research Drive in Greenville, SC from LICAR, LLC, a South Carolina limited liability company, whose sole member is Clemson University Land Stewardship Foundation, Inc.

ATTACHMENTS:

Agenda item worksheet; Letter from Clemson University dated March 17, 2020; SC Code of Laws Sections 1-11-55 and 1-11-56

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 30, 2020

Regular Agenda

1. Submitted by:

- (a) Agency: Department of Administration
- (b) Authorized Official Signature:

Ashlie Lancaster

Ashlie Lancaster, Director

2. Subject: Clemson University Lease of 1 Research Drive, Greenville, SC

3. Summary Background Information:

Clemson University's College of Engineering, Computing and Applied Sciences (CECAS) currently leases approximately 11,300 square feet of space in Greenville on the CU-ICAR Campus. The CECAS has experienced dramatic, unanticipated growth and is need of additional space to support this growth. Therefore, Clemson University (Clemson) requests approval to extend the existing term by three years and add 12,700 square feet to their current lease for a total of 24,000 square feet of office space at 1 Research Drive in Greenville, SC from LICAR, LLC, a South Carolina limited liability company, whose sole member is Clemson University Land Stewardship Foundation, Inc.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space. Three proposals were received with the selected location submitting the lowest bid. Additionally, the other two proposals do not have space immediately available and include construction renovation fees. These proposals would entail extensive costs for relocation and construction, and since they are not located in close proximity to existing facilities at CU-ICAR, travel time and loss of synergy would reduce productivity. The proposal for 1 Research Drive is immediately adjacent to the current rented space and already upfitted, which saves moving and construction costs, and the space is accordingly selected as the optimum site.

The lease term will be five years commencing on June 1, 2020, with the option to extend the term for up to one additional term of five years. The basic rental rate for the first year of the term will be \$16.00 per square foot (which is the same as their current lease rate), for an annual aggregate amount of \$384,000.00. The basic rent will increase annually by two percent (2%) as shown in the chart below. The total basic rent to be paid over the 5-year term will be \$1,998,480.00.

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>RENT PER SF ROUNDED</u>
YEAR 1	\$384,000.00	\$16.00
YEAR 2	\$391,680.00	\$16.32
YEAR 3	\$399,600.00	\$16.65
YEAR 4	\$407,520.00	\$16.98

YEAR 5 \$415,680.00 \$17.32

Clemson will be responsible for all operating costs which are estimated at \$6.50 per square foot.

The following chart represents comparable lease rates of similar space:

Tenant	Location	Rate /SF
Vacant	200 Wade Hampton Blvd., Greenville	\$16.50
Vacant	200 Executive Center Drive, Greenville	\$21.00

*Above rates subject to operating expenses and base rent escalations.

Clemson has adequate funds for the lease according to a Budget Approval Form submitted April 8, 2020, which also includes a multi-year plan. Lease payments will be funded through grant overhead recoveries. Clemson has indicated that no student fee increase will be associated with this lease. No option to purchase the property is included in the lease. The lease was approved by Clemson University Board of Trustees on February 7, 2020, by the Commission on Higher Education on June 22, 2020, and by JBRC on June 23, 2020.

4. What is the Authority asked to do? Approve the proposed five-year lease.

5. What is recommendation of the division of Facilities Management and Property Services? Approval of the proposed five-year lease.

6. List of Supporting Documents:

- (a) Letter from Clemson University dated March 17, 2020
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



March 17, 2020

Ms. Ashlie Lancaster
Assistant Director
Division of General Services
Department of Administration
1200 Senate Street, Suite 408
Columbia, SC 29201

SUBJECT: Clemson University Lease for Space in Greenville, SC
One Research Drive

Finance and Operations

Clemson University
606 Sikes Hall
Box 345302
Clemson, SC
29634-5302

P 864-656-2421
F 864-656-2008

Dear Ms. Lancaster,

Clemson University requests approval by the Joint Bond Review Committee and the State Fiscal Accountability Authority (SFAA) at their meetings on May 6 and May 12, 2020, respectively, for the attached lease between LICAR, LLC and Clemson University for space located at 1 Research Drive on the CU-ICAR Campus in Greenville, South Carolina. The enclosed lease was approved by the Clemson University Board of Trustees on February 7, 2020.

Clemson University's College of Engineering, Computing, and Applied Sciences (CECAS) currently leases approximately 11,300 square feet of space in Greenville on the CU-ICAR Campus. The space is utilized for programming and student enrichment opportunities which are interdisciplinary and include areas such as advanced manufacturing, computer science, mechanical engineering, and automotive engineering. The CECAS programs have grown more quickly than anticipated resulting in the need of additional space to support such growth. The new lease, for approximately 24,000 square feet, will provide for additional faculty offices, classrooms, and student and research spaces and will continue to promote synergistic programming with the programs already occurring in the Clemson University Campbell Graduate Education Center and Greenville Technical College's Center for Manufacturing Innovation.

A solicitation was conducted by the Real Property Services Section of the Department of Administration, and three responses were received. The LICAR, LLC response was selected due to the immediately adjacent space which can accommodate CECAS expansion needs, resulting in lower costs to expand given the space is already upfitted, as well as cost savings related to moving to another location and savings associated with loss of productivity associated with drive time between a separate location and the CU-ICAR campus. In addition, the LICAR space provides synergy with other CU students and faculty already located at CU-ICAR, the student service programs located on the Campus, and access to the Clemson network and the bus route to Clemson's main campus.



The terms of the lease are listed below:

Location: 1 Research Drive
Greenville, SC

Square footage: 24,000

Lease term: June 1, 2020 – May 31, 2025

Annual lease amounts: See chart below

Annual rental rate escalation: 2%

Total lease cost for the term: \$2,778,480

Source of Funds: Grant overhead recoveries

Renewal Options: One (1), five (5) year term

Finance and Operations

Clemson University
606 Sikes Hall
Box 345302
Clemson, SC
29634-5302

P 864-656-2421
F 864-656-2008

Initial Term	Monthly Base Lease Rate	Annual Base Lease Rate	Rent Per Square Foot	Annual Operating Expenses*	Total Monthly Lease Rate	Total Annual Lease Rate
Year 1	\$32,000	\$384,000	\$16.00	\$156,000	\$45,000	\$540,000
Year 2	\$32,640	\$391,680	\$16.32	\$156,000	\$45,640	\$547,680
Year 3	\$33,300	\$399,600	\$16.65	\$156,000	\$46,300	\$555,600
Year 4	\$33,960	\$407,520	\$16.98	\$156,000	\$46,960	\$563,520
Year 5	\$34,640	\$415,680	\$17.32	\$156,000	\$47,640	\$571,680

*Operating expenses will be paid by Clemson as a pass through and are estimated at \$6.50 per rentable square foot.

Once approved, please send two of the originals of the lease back to my office for distribution. If you should have any questions or need any further documentation, please do not hesitate to contact me or Laura Stoner at (864) 283-7107.

Kindest regards,

Anthony E. Wagher
Executive Vice President, Finance & Operations

Enclosure

Cc: Carol Routh
Laura Stoner

SECTION 1-11-55. Leasing of real property for governmental bodies.

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Division of General Services of the Department of Administration is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Division of General Services of its requirement on rental request forms prepared by the division. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The department shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Division of General Services of the Department of Administration or his designee.

HISTORY: 1997 Act No. 153, Section 2; 2002 Act No. 333, Section 1; 2002 Act No. 356, Section 1, Pt VI.P(1); 2011 Act No. 74, Pt VI, Section 13, eff August 1, 2011; 2013 Act No. 31, Section 1, eff May 21, 2013; 2014 Act No. 121 (S.22), Pt V, Section 7.A, eff July 1, 2015.

Code Commissioner's Note

The last sentence in subsection (2), which was added by 2011 Act No. 74, was inadvertently omitted from 2014 Act No. 121 due to a scrivener's error. At the direction of the Code Commissioner, this sentence has been retained in subsection (2).

Effect of Amendment

The 2011 amendment, in subsection (2), added the third sentence relating to technical colleges:

The 2013 amendment, in subsection (1), substituted "Legislative Services Agency" for "Office of Legislative Printing, Information and Technology Systems".

2014 Act No. 121, Section 7.A, in subsection (1), substituted "agency, government corporation, or other establishment or official of the executive branch" for "legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches"; in subsection (2), substituted "Division of General Services of the Department of Administration" for "Budget and Control Board"; in subsection (3) substituted "division" for "office" in three instances, and substituted "department" for "board"; in subsection (4), substituted "department" for "board"; and in subsection (5), substituted "Division of General Services of the Department of Administration" for "Office of General Services".

SECTION 1-11-56. Program to manage leasing; procedures.

(A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:

- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
- (2) establishing standards for the quality and quantity of space to be leased by a requesting agency;
- (3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:
 - (a) a nonappropriation for the renting agency;
 - (b) a dissolution of the agency; and

- (c) the availability of public space in substitution for private space being leased by the agency;
 - (4) rejecting an agency's request for additional space or space at a specific location, or both;
 - (5) directing agencies to be located in public space, when available, before private space can be leased;
 - (6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
 - (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.
- (B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.
- (C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

HISTORY: 1997 Act No. 153, Section 2; 2014 Act No. 121 (S.22), Pt V, Section 7.B, eff July 1, 2015.

Effect of Amendment

2014 Act No. 121, Section 7.B, added subsection designator (A); in subsection (A), substituted "Division of General Services of the Department of Administration" for "State Budget and Control Board", substituted "a governmental body" for "state agencies", and added the second sentence relating to regulations; in subsection (A)(6), substituted "department" for "board's budget office", and deleted text relating to prior review by the Joint Bond Review Committee; rewrote subsection (A)(7); and added subsections (B) and (C) .

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Clemson University Lease of 934 Old Clemson Highway

Clemson University (Clemson) requests approval to lease 13,970 square feet of office space at 934 Old Clemson Highway in Seneca, SC from Eagle Landing Properties I, LLC. Clemson has leased space at this location since 1999. Clemson Computing and Information Technology leases office space off-campus to accommodate much of its Medicaid IT Services staff which provide applications programming support for university systems and support for the contract with the SC Department of Health and Human Services (DHHS) for the DHHS Medicaid Information Technology project. The current lease for 17,558 square feet expires on May 1, 2020.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space. The proposed landlord was the only respondent.

The lease term will be three years commencing on May 2, 2020. The rental rate for the term will be \$16.25 per square foot for an annual aggregate amount of \$227,012.50. The total rent to be paid over the 3-year term will be \$681,037.50.

The rate includes all operating costs with the exception of card access systems and janitorial services which are collectively estimated at \$14,317.00 annually.

The following chart represents comparable lease rates of similar space:

Tenant	Location	Rate /SF
SC Department of Public Safety	201 Church Street, Pickens	\$16.73
Vacant	872 S. Pleasantburg Drive, Greenville	\$16.60
Vacant	501 Forest Lane, Clemson	\$19.00

*Above rates subject to operating expenses and base rent escalations.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Clemson University Lease of 934 Old Clemson Highway

Clemson has adequate funds for the lease according to a Budget Approval Form submitted January 23, 2020, which also includes a multi-year plan. Lease payments will be funded through the DHHS contract. Clemson has indicated that no student fee increase will be associated with this lease. No option to purchase the property is included in the lease. The lease was approved by CHE on February 5, 2020 and the Clemson Board of Trustees on October 11, 2019.

The Joint Bond Review Committee approved this lease at its June 23, 2020 meeting.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management and Property Services, approve Clemson University's request to lease 13,970 square feet of office space at 934 Old Clemson Highway in Seneca, SC from Eagle Landing Properties I, LLC for a 3-year lease term.

ATTACHMENTS:

Agenda item worksheet; Letter from Clemson University dated January 24, 2020; SC Code of Laws Sections 1-11-55 and 1-11-56;

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 30, 2020

Regular Agenda

1. Submitted by:

- (a) Agency: Department of Administration
- (b) Authorized Official Signature:



Ashlie Lancaster, Director

2. Subject: Clemson University Lease of 934 Old Clemson Highway

3. Summary Background Information:

Clemson University (Clemson) requests approval to lease 13,970 square feet of office space at 934 Old Clemson Highway in Seneca, SC from Eagle Landing Properties I, LLC. Clemson has leased space at this location since 1999. Clemson Computing and Information Technology leases office space off-campus to accommodate much of its Medicaid IT Services staff which provide applications programming support for university systems and support for the contract with the SC Department of Health and Human Services (DHHS) for the DHHS Medicaid Information Technology project. The current lease for 17,558 square feet expires on May 1, 2020.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space. The proposed landlord was the only respondent.

The lease term will be three years commencing on May 2, 2020. The rental rate for the term will be \$16.25 per square foot for an annual aggregate amount of \$227,012.50. The total rent to be paid over the 3-year term will be \$681,037.50.

The rate includes all operating costs with the exception of card access systems and janitorial services which are collectively estimated at \$14,317.00 annually.

The following chart represents comparable lease rates of similar space:

Tenant	Location	Rate /SF
SC Department of Public Safety	201 Church Street, Pickens	\$16.73
Vacant	872 S. Pleasantburg Drive, Greenville	\$16.60
Vacant	501 Forest Lane, Clemson	\$19.00

*Above rates subject to operating expenses and base rent escalations.

Clemson has adequate funds for the lease according to a Budget Approval Form submitted January 23, 2020, which also includes a multi-year plan. Lease payments will be funded through the DHHS contract. Clemson has indicated that no student fee increase will be associated with

this lease. No option to purchase the property is included in the lease. The lease was approved by CHE on February 5, 2020 and the Clemson Board of Trustees on October 11, 2019.

The Joint Bond Review Committee approved this lease at its June 23, 2020 meeting.

4. What is the Authority asked to do? Approve the proposed three-year lease.

5. What is recommendation of the division of Facilities Management and Property Services? Approval of the proposed three-year lease.

6. List of Supporting Documents:

- (a) Letter from Clemson University dated January 24, 2020
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



January 24, 2020

Ms. Ashlie Lancaster
Assistant Director
Division of General Services
Department of Administration
1200 Senate Street, Suite 408
Columbia, SC 29201

SUBJECT: Clemson University Lease for Space in Seneca, SC
934 Old Clemson Highway

Finance and Operations

Clemson University
G06 Sikes Hall
Box 345302
Clemson, SC
29634-5302

P 864-656-2421
F 864-656-2008

Dear Ms. Lancaster:

Clemson University requests approval by the Joint Bond Review Committee and the State Fiscal Accountability Authority (SFAA) at their meetings on March 18 and March 24, 2019, respectively, for the attached lease renewal between Eagles Landing Properties I, LLC and Clemson University for space located at 934 Old Clemson Highway in Seneca, South Carolina. The enclosed lease was approved by the Clemson University Board of Trustees on October 11, 2019.

Clemson University requests approval to renew the current lease of office space consisting of 13,970 square feet at 934 Old Clemson Highway Eagles Landing Professional Park for a three-year term beginning on May 2, 2020. The University is seeking a three-year lease due to the nature of the underlying contractual work supporting this request.

Necessity continues to require that Clemson Computing and Information Technology (CCIT) lease office space off-campus to accommodate much of its Medicaid IT Services staff. This group provides applications programming support for university systems and support for the contract with the SC Department of Health and Humans Services (DHHS) for the DHHS Medicaid Information Technology (MIT) project.

A solicitation was conducted and the Eagles Landing Property response was the only one received. Additionally, the data network required by the programmers is beyond standard needs due to the large volume of data to be processed for DHHS and moving to another facility would likely require AT&T or other service providers to lay additional cables to increase bandwidth to the building. This addition could cause a delay in the building being serviceable to the programmers, and not having the higher bandwidth would cause processing delays and increased costs to DHHS as it pertains to this project.

The terms of the lease are listed below:

Location: 934 Old Clemson Highway
Seneca, SC



Square footage: 13,970

Lease term: May 2, 2020 – May 1, 2023

Annual lease amounts*: See chart below

Total lease cost for initial term: \$681,037.50

Source of funds: Revenue generated from DHHS contract for services.

Renewal Options: None

Finance and Operations

Clemson University
 G06 Sikes Hall
 Box 345302
 Clemson, SC
 29634-5302

P 864-656-2421
 F 864-656-2008



**Annual lease cost includes operating expenses of: taxes, insurance, utilities (electricity, water, and sewer); maintenance and repairs of the grounds and buildings, electrical systems, HVAC systems and plumbing, and other services necessary to maintain and operate the buildings and site. CCIT is only responsible for costs associated with the card access systems and janitorial services.*

Once approved, please send two of the originals back to my office for distribution. If you should have any questions or need any further documentation, please do not hesitate to contact me or Laura Stoner at (864) 283-7107.

Thank you,

Anthony E. Wagner
 Executive Vice President, Finance & Operations

Enclosure

Cc: Carol Routh
 Laura Stoner

SECTION 1-11-55. Leasing of real property for governmental bodies.

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Division of General Services of the Department of Administration is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Division of General Services of its requirement on rental request forms prepared by the division. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The department shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Division of General Services of the Department of Administration or his designee.

HISTORY: 1997 Act No. 153, Section 2; 2002 Act No. 333, Section 1; 2002 Act No. 356, Section 1, Pt VI.P(1); 2011 Act No. 74, Pt VI, Section 13, eff August 1, 2011; 2013 Act No. 31, Section 1, eff May 21, 2013; 2014 Act No. 121 (S.22), Pt V, Section 7.A, eff July 1, 2015.

Code Commissioner's Note

The last sentence in subsection (2), which was added by 2011 Act No. 74, was inadvertently omitted from 2014 Act No. 121 due to a scrivener's error. At the direction of the Code Commissioner, this sentence has been retained in subsection (2).

Effect of Amendment

The 2011 amendment, in subsection (2), added the third sentence relating to technical colleges.

The 2013 amendment, in subsection (1), substituted "Legislative Services Agency" for "Office of Legislative Printing, Information and Technology Systems".

2014 Act No. 121, Section 7.A, in subsection (1), substituted "agency, government corporation, or other establishment or official of the executive branch" for "legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches"; in subsection (2), substituted "Division of General Services of the Department of Administration" for "Budget and Control Board"; in subsection (3) substituted "division" for "office" in three instances, and substituted "department" for "board"; in subsection (4), substituted "department" for "board"; and in subsection (5), substituted "Division of General Services of the Department of Administration" for "Office of General Services".

SECTION 1-11-56. Program to manage leasing; procedures.

(A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:

- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
- (2) establishing standards for the quality and quantity of space to be leased by a requesting agency;
- (3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:
 - (a) a nonappropriation for the renting agency;
 - (b) a dissolution of the agency; and

- (c) the availability of public space in substitution for private space being leased by the agency;
- (4) rejecting an agency's request for additional space or space at a specific location, or both;
- (5) directing agencies to be located in public space, when available, before private space can be leased;
- (6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
- (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

(B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.

(C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

HISTORY: 1997 Act No. 153, Section 2; 2014 Act No. 121 (S.22), Pt V, Section 7.B, eff July 1, 2015.

Effect of Amendment

2014 Act No. 121, Section 7.B, added subsection designator (A); in subsection (A), substituted "Division of General Services of the Department of Administration" for "State Budget and Control Board", substituted "a governmental body" for "state agencies", and added the second sentence relating to regulations; in subsection (A)(6), substituted "department" for "board's budget office", and deleted text relating to prior review by the Joint Bond Review Committee; rewrote subsection (A)(7); and added subsections (B) and (C) .

AGENCY: Executive Director

SUBJECT: Revenue Bonds

The required reviews on the following proposals to issue revenue bonds have been completed with satisfactory results. The projects require approval under State law.

- a. Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: \$25,000,000 Multifamily Housing Revenue Bonds
Allocation Needed: \$25,000,000 (carryforward to be used)
Name of Project: Canebreak Apartments
Employment Impact: N/A
Project Description: to provide a portion of the financing needed for the acquisition and rehabilitation of a 120-unit multifamily affordable housing development located in the Town of Summerville, SC, known as Canebreak Apartments.
Bond Counsel: Emily S. Luther, Parker Poe Adams & Bernstein LLP

- b. Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: \$35,000,000 Multifamily Housing Revenue Bonds
Allocation Needed: \$35,000,000 (carryforward to be used)
Name of Project: Waters at Oakbrook
Employment Impact: N/A
Project Description: acquisition, design, construction and equipping of a 216-unit multifamily affordable housing apartment complex in the Town of Summerville, Dorchester County, SC
Bond Counsel: Emily S. Luther, Parker Poe Adams & Bernstein LLP

- c. Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: \$25,000,000 Multifamily Housing Revenue Bonds
Allocation Needed: \$25,000,000 (carryforward to be used)
Name of Project: Waters at West Ashley
Employment Impact: N/A
Project Description: to provide a portion of the financing needed for the acquisition and rehabilitation of a 100-unit multifamily affordable housing development located in the City of Charleston, to be known as Waters at West Ashley.
Bond Counsel: Emily S. Luther, Parker Poe Adams & Bernstein LLP

AGENCY: Executive Director

SUBJECT: Revenue Bonds -- Continued

- d. Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: Not Exceeding \$150,000,000 Mortgage Revenue Bonds, Series 2020B
Allocation Needed: -0-
Name of Project: Mortgage Revenue Bonds, Series 2020B
Employment Impact: N/A
Project Description: Mortgage Revenue Bonds, Series 2020B
Bond Counsel: Rion D. Foley, Burr Forman McNair LLP

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Resolutions with attachments



Emily S. Luther

Partner

Telephone: 803.253.6841

Direct Fax: 803.255.8017

emilyluther@parkerpoe.com

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

May 21, 2020

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 \$25,000,000
South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Bonds
(Canebreak Apartments Project)
Series 2020***

Dear Delbert:

The South Carolina State Housing Finance and Development Authority ("Authority") proposes to issue its Multifamily Housing Revenue Bonds (Canebreak Apartments Project) Series 2020 ("Bonds") in an aggregate principal amount of not exceeding \$25,000,000. 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 30, 2020. 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 20, 2020;
3. Petition of the Authority to the SFAA;
4. A form of the approving Resolution to be considered for adoption by the SFAA on June 30, 2020;
5. A form of a Notice of Action;
6. A form of bond counsel's opinion letter;
7. An organizational chart of the Sponsor (as defined herein); and
8. Biographies of each of the principals of the Sponsor.

Delbert H. Singleton, Jr.
May 21, 2020
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.

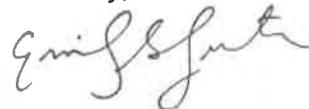
The Authority anticipates that it will use the proceeds of the Bonds to make a mortgage loan to Standard Canebreak Venture LP, a South Carolina limited partnership ("Sponsor"), for the acquisition, rehabilitation and equipping of a 120-unit multifamily affordable housing development located in the Town of Summerville, Dorchester County, South Carolina ("Development"). The Development will be known as Canebreak 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 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. We recognize the present social distancing conditions mandated by the novel coronavirus could affect the SFAA's meeting schedule and procedures. We will monitor the SFAA's website for any changes. 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

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 21, 2020

Submitted for SFAA Meeting on:
June 30, 2020

FROM:

RE:

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

\$25,000,000
Amount of Issue
South Carolina State Housing Finance and
Development Authority
Name of Issuing Authority
Multifamily Housing Revenue Bonds
Type of Bonds or Notes
on or around September 30, 2020
Projected Issue Date

Project Name: Canebreak Apartments

Project Description: See Attachment A

Employment as a result of the project: N/A

Ceiling Allocation Required
X Yes (\$25,000,000) ___ No
Amount

Refunding Involved
___ Yes (\$) X No
Amount

Project Approved Previously
___ Yes (\$) X 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. X State Fiscal Accountability Authority Resolution and Public Notice (original)

Plus 1 copies for certification and return to bond counsel

F. X Draft bond counsel opinion letter

G. N/A Processing Fee

Amount: \$
Payor:
Check No:

Bond Counsel: Parker Poe Adams & Bernstein LLP
Typed Name of Bond Counsel

By: [Signature]

ATTACHMENT A TO TRANSMITTAL FORM

The South Carolina State Housing and Finance and Development Authority (“Housing Authority”), has proposed to issue its Multifamily Housing Revenue Bonds (Canebreak Apartments Project) Series 2020 (“Bonds”), in the aggregate principal amount of not exceeding \$25,000,000 for the purpose of funding a mortgage loan to Standard Canebreak Venture, LP, a South Carolina limited partnership (the “Sponsor”), to provide a portion of the financing needed for the acquisition and rehabilitation of a 120-unit multifamily affordable housing development located in the Town of Summerville, Dorchester County, South Carolina, known as Canebreak Apartments (the “Project”). The Project consists of 8 two-story buildings on approximately 8.5 acres and has one-, two- and three-bedroom dwelling units. The Project is subject to a project-based Section 8 Housing Assistance Payment (HAP) Contract with the U.S. Department of Housing and Urban Development, which covers 100% of the units and provides rental assistance payments to residents residing at the Project.

The Sponsor has represented to the Housing Authority that it will spend the proceeds of the Bonds to acquire the Project and conduct extensive rehabilitation to the interior of the units, common spaces and exterior of the Project (approximately \$40,000 per unit). Interior upgrades will include improvements to or replacement of the flooring, lighting, fixtures, appliances, plumbing, cabinets and countertops in each unit. Exterior improvements will include roof and exterior façade repair, windows repair, signage repair, and preservation or improvements to the landscaping and parking. The Sponsor will also construct a new fitness center for the benefit of the residents and update the playground areas as well as improving the resident common areas.

The Sponsor does not anticipate that the rehabilitation will require off-site relocation of any residents but has budgeted funds to be used for temporary on-site relocation during portions of the interior renovations.

A RESOLUTION

MAKING PRELIMINARY PROVISION FOR THE ISSUANCE OF NOT EXCEEDING \$25,000,000 AGGREGATE PRINCIPAL AMOUNT OF MULTIFAMILY HOUSING REVENUE BONDS (CANEBREAK APARTMENTS PROJECT) SERIES 2020 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, Standard Canebreak Venture, 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 (Canebreak Apartments Project) Series 2020, in one or more series taxable or tax-exempt, in the aggregate principal amount of not exceeding \$25,000,000 for the purpose of making a loan (the "*Mortgage Loan*") to the Sponsor for the acquisition, rehabilitation and equipping of a 120-unit apartment development located in the City of Summerville, Dorchester County, South Carolina, to be known as the Canebreak 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 Note (Canebreak Apartments Project) Series 2020" (with any appropriate series or subseries designations) in the aggregate principal amount of not exceeding \$25,000,000 (the "Bonds").

Any obligation of the Authority 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) 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 Note 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 ____ day of May 2020, 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 2020.

**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)
_____)

CANEBREAK 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. Standard Canebreak Venture 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 (Canebreak Apartments Project), in one or more taxable or tax-exempt series ("*Bonds*"), in the aggregate principal amount of not exceeding \$25,000,000 for the acquisition, rehabilitation and equipping of a 120-unit multifamily development located in the Town of Summerville, Dorchester County, South Carolina, to be known as Canebreak Apartments (the "*Project*").

3. The Authority has preliminarily approved the issuance of the Bonds pursuant to a resolution adopted on May 20, 2020, 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.

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 __, 2020

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH
CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT
AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE
BONDS (CANEBREAK APARTMENTS PROJECT) SERIES 2020**

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 of 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, Standard Canebreak Venture LP, a South Carolina limited partnership (the “Sponsor”), has requested the Authority to assist it in an undertaking to acquire and rehabilitate a multifamily affordable housing development, consisting of 120 units, located in the Town of Summerville, Dorchester County, South Carolina (the “Project”); and

WHEREAS, in order to provide money to acquire and rehabilitate 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 (Canebreak Apartments Project) Series 2020 in an aggregate principal amount of not exceeding \$25,000,000 (the “Bonds”); and

WHEREAS, the Authority has presented to the SFAA its Petition dated as of May [], 2020 (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 (Canebreak Apartments Project), or such other designation as the Board of Commissioners of the Authority may determine, in the principal amount of not exceeding \$25,000,000.

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 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 \$25,000,000 Multifamily Housing Revenue Bonds (Canebreak Apartments Project) Series 2020, 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 Standard Canebreak Venture LP, a South Carolina limited partnership (“Borrower”), to (i) finance the costs of acquiring, rehabilitating and equipping a 120-unit multifamily housing development to be known as Canebreak Apartments located in the Town of Summerville, Dorchester 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 19, 2020. 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 Dorchester County.

STATE FISCAL ACCOUNTABILITY AUTHORITY
OF SOUTH CAROLINA

By: Delbert H. Singleton, Jr., Secretary

[Parker Poe Letterhead]

[], 2020

South Carolina State Housing Finance
and Development Authority
Columbia, South Carolina

Re:

\$25,000,000*
South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Bonds
(Canebreak Apartments)
Series 2020

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the South Carolina State Housing Finance and Development Authority ("**Issuer**") of its \$25,000,000* Multifamily Housing Revenue Bonds (Canebreak Apartments) Series 2020 ("**Bonds**").

The Bonds recite that they are issued under and pursuant to Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended ("**Act**"). The Bonds are being issued under a Trust Indenture, dated as of [], 2020 ("**Indenture**"), between the Issuer and [], a national banking corporation, as trustee ("**Trustee**"). Capitalized terms not defined herein shall have the same meaning as set forth in the Indenture.

The Bonds are initially issued as a single certificate registered in the name of Cede & Co. in the aggregate principal amount of \$25,000,000* and are dated [], 2020. The Bonds bear interest from the date thereof payable in accordance with terms provided therein. The Bonds mature on []. The Bonds are subject to redemption upon the terms and conditions and at the prices set forth therein. The Bonds are also subject to special mandatory purchase upon the terms and conditions set forth therein.

The Bonds are being issued for the primary purpose of providing funds for the making of a mortgage loan ("**Loan**") from the Issuer to Standard Canebreak Venture LP ("**Borrower**"), pursuant to that certain Loan Agreement, dated as of [], 2020 ("**Loan Agreement**"), between the Issuer and the Borrower, for the acquisition, rehabilitation and equipping of a 120-unit multifamily affordable housing development known as Canebreak Apartments and located in the Town of Summerville, Dorchester County, South Carolina.

In connection with the foregoing, we have examined (i) the Constitution of the State of South Carolina, 1895, as amended, the Act and other relevant statutes of the State of South Carolina ("**State**"); (ii) certified copies of the resolution of the Board of Commissioners of the Issuer authorizing the issuance of the Bonds on [], 2020 ("**Resolution**"); (iii) certified copies of the proceedings of the State Fiscal Accountability Authority ("**Authority**") relating to the Bonds, including a resolution adopted by the Authority on [], 2020; (iv) the Loan Agreement; (v) the Indenture; (vi) the Agreement as to Restrictive Covenants, dated [], 2020 ("**Regulatory Agreement**"), between the Issuer and the Borrower; (vii) the Tax Certificate, dated [], 2020 ("**Tax Certificate**"), among the Issuer, the Borrower and the Trustee (collectively, the Resolution, the Indenture, the Loan Agreement, the Regulatory Agreement, and the Tax Certificate, are referred to herein as the "**Bond Documents**"); and (viii) such other records and documents as we have considered necessary or appropriate in rendering the following opinions. We have also examined one fully executed Bond.

*Preliminary; subject to change.

As to questions of fact material to the opinions hereinafter expressed, we have relied upon representations of the Issuer and the Borrower contained in the Bond Documents, the certified proceedings and other certifications of public officials and others furnished to us, including certifications furnished to us by or on behalf of the Issuer and the Borrower, without undertaking to verify the same by independent investigation. We have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, and documents and proceedings.

In giving the opinions hereinafter expressed, 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, and such opinions are limited to the federal laws of the United States of America and the laws of the State.

Based upon the foregoing, it is our opinion under existing law that:

1. The Issuer is a duly created and validly existing public body corporate and politic and an agency of the State with full power and authority to issue the Bonds, to make the Loan with the proceeds of the Bonds, and to perform all of its obligations under the Bond Documents.
2. The Issuer has the right, power and authority under the Act to adopt the Resolution and execute the Bond Documents and each has been duly and lawfully authorized, executed and delivered by the Issuer, and is valid and binding upon the Issuer and enforceable in accordance with its terms.
3. The Indenture creates a valid pledge of the Trust Estate for payment of the Bonds pursuant to the terms of the Indenture.
4. The Bonds have been duly authorized, executed and delivered and constitute legal valid and binding special obligations of the Issuer enforceable in accordance with their terms and the terms of the Indenture. The Bonds are secured in the manner and the extent prescribed by the Indenture.
5. The Bonds are not a debt or grant or loan of credit of the State or any political subdivision thereof and neither the State nor any political subdivision thereof is liable thereon, nor shall the Bonds be payable out of any funds other than those of the Issuer pledged therefor under the Indenture.
6. Interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is 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 ("*Code*"). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer and the Borrower 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 income tax purposes. The Issuer and the Borrower have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

7. The Bonds and the interest thereon are presently exempt from all State, county, municipal, school district, and all other taxes or assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except for inheritance, estate and transfer taxes, but the interest on the Bonds may be includable for certain franchise fees or taxes.

8. The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is not required to be qualified under the Trust Indenture Act of 1939, as amended.

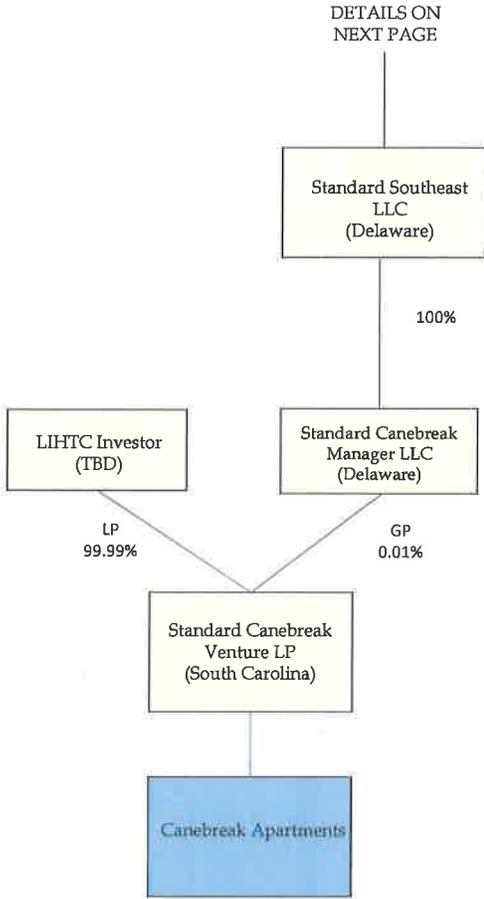
It is understood that the enforceability of the Indenture and the Bonds may be subject to judicial discretion, the exercise of the sovereign police powers of the State or the constitutional powers of the United States of America and valid bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights generally.

Except as set forth above, we express no opinion in connection with the issuance and sale of the Bonds. The opinions expressed above are rendered solely for the benefit of the addressees hereof in connection with the issuance of the Bonds. These opinions 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 opinions expressed above for events occurring or coming to our attention after the date of this letter.

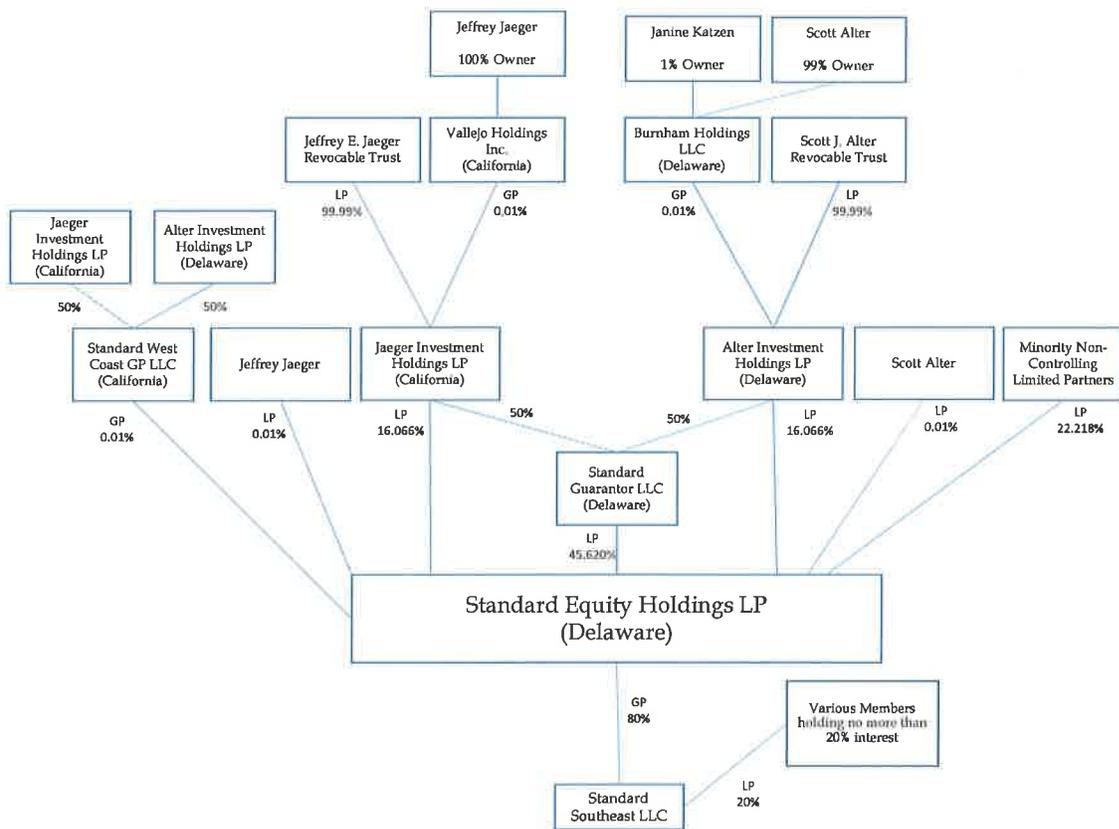
Very truly yours,

PARKER POE ADAMS & BERNSTEIN LLP

Canebreak Apartments
Organizational Chart
Page 1



Canebreak Apartments
 Organizational Chart
 Page 2



Principals of Standard Communities

Jeffrey E. Jaeger: Mr. Jaeger is a Co-Founder and Principal of Standard Communities. Mr. Jaeger is also the Co-Founder and former Chief Operating Officer of Jackson Square Properties, a value-add investment company which managed a portfolio of over 10,000 apartments and 1,000 mobile-home units at the time of his departure. Prior to joining Jackson Square Properties, Mr. Jaeger worked in the capital transactions department at Lend Lease Real Estate Investments. Mr. Jaeger is a current Board Member and Co-Founder of Housing on Merit, a California-based non-profit focused on providing housing for homeless, female veterans. Mr. Jaeger is also a current Board Member of Inner City Arts, one of the nation's most effective arts-education providers located in the heart of Skid Row, Los Angeles. He earned a Bachelor of Arts degree from the University of California, Berkeley.

Scott J. Alter: Mr. Alter is a Co-Founder and Principal of Standard Communities. Prior to co-founding Standard, Mr. Alter was an investment professional at Stockbridge Real Estate Funds, a real estate opportunity fund. Previously, he worked as a Financial Analyst in Merrill Lynch & Co.'s real estate, hospitality and leisure investment banking division. Mr. Alter is a current Board Member and Co-Founder of Housing on Merit, a California-based non-profit focused on providing housing for homeless, female veterans. He recently served as a Board Member of The Giving Circles Fund, a movement of next-generation philanthropists who utilize the power of collective action to create lasting change. Mr. Alter earned a Bachelor of Science degree in Industrial and Labor Relations from Cornell University.

Selected Accounts Variation Report

Run Date / Time 04/01/2020, 14:22:30

Bus Area: L320 Fund: 6001900000..600 Grant: *
 Cost Ctr: * Funded Program: *
 Account Group Selected: SC TRIAL_BALANCE_DETAIL

Period: 9, 2020

GL Account	YTD Beg Bal	MTD Activity	YTD End Bal
1000000000 CASH DUE TO/FROM	1,600.18-		1,600.18-
1000030000 CASH ON DEPOSIT-STO			
1000070120 REVENU ACCT-SERV PRG			
1000070200 PROGRAM FUND-LN PRG	480,243,142.58		480,243,142.58
1000070201 ESCROW FUND-LOAN PRG			
1000070202 COST OF ISS FD-LN PG	1,219,742.03	317,286.94-	902,455.09
1000070203 REVENUE FUND-LN PRG	441,593,795.28-	1,846,652.02-	443,440,447.30-
1000070204 REDEMPTION FD-LN PRG			
1000070205 BOND RES FUND-LN PRG	1,992,012.29		1,992,012.29
1000070206 REVENUE RES FD-LN PG			
1000070207 RESTRICTED FD-LN PRG			
1000070208 ARB RES LIB FD-LN PG			
** Cash Accounts	41,859,501.44	2,163,938.96-	39,695,562.48
1200013000 Investments - Debt - Domestic			
1200040000 Investments - Accumulated Discount-Curr			
1200050000 Investments Mark to Market- Curr			
** Investments Current			
1204013000 INVESTMENTS - DEBT - DOMESTIC	90,211,890.53		90,211,890.53
** Investments Non-Current	90,211,890.53		90,211,890.53
1300200000 ACCRUED INTEREST RECEIVABLE NON INVESTMENT		32,310.80-	32,310.80-
1300210000 ACCRUED INTEREST RECEIV ON INVESTMENTS	359,600.14	362,188.85-	2,588.71-
1310000000 LOANS AND NOTES RECEIVABLE - CURRENT	616,339,219.72	3,920,619.26-	612,418,600.46
1310000001 LOANS AND NOTES RECEIVABLE - NONCURRENT			
1311000000 ALLOW FOR UNCOLLECT LOAN/NOTE REC - CURR	77,248.99-		77,248.99-
1312000000 LOANS PENDING - SINGLE FAMILY	75,376,815.40	7,545,057.95	82,921,873.35
1313000000 FORECLOSED REAL ESTATE HELD FOR RESALE			
1390010000 INTERFUND RECEIVABLES			
** Accounts Receivable	691,998,386.27	3,229,939.04	695,228,325.31
1600120000 PREPAID BOND INSURANCE			
** Prepaid Expenditures - Current			
1610010000 UNAMORTIZED DISCOUNTS ON BONDS-CURR		30,806.94-	
1610020000 UNAMORTIZED DEF EARLY EXT OF DEBT-CURR	2,798,561.49-		2,829,368.43-
1620020000 DEFERRED BOND FINANCING COSTS-NONCUR			
** Other Long Term Assets	2,798,561.49-	30,806.94-	2,829,368.43-
*** Total Assets	821,271,216.75	1,035,193.14	822,306,409.89
**** Total Assets	821,271,216.75	1,035,193.14	822,306,409.89
2010033000 ACCOUNTS PAYABLE - LOAN SERVICING INST		2,813.10	2,813.10

**	Accounts Payable		2,813.10	2,813.10
	2090010000 INTERFUND PAYABLES	42,000.00-	42,000.00	
	2200201000 LIAB PAY FROM REST ASSET - INT PAY ON BD	3,415,218.54-	3,415,218.56	0.02
	2200400000 LIAB PAY FM REST ASSET - BONDS PAY-CURR	513,325,000.00-		513,325,000.00-
	2200400001 LIAB RST - BD PY- LT			
	2200600000 PREPAID MORTGAGE INTEREST			
	2400130000 OTHER CURRENT LIABILITIES			
	2406061000 UNAMORTIZED PREMIUM ON BONDS	18,994,543.47-	267,302.12-	19,261,845.59-
**	Other Liabilities	535,776,762.01-	3,189,916.44	532,586,845.57-
***	Total Liabilities	535,776,762.01-	3,192,729.54	532,584,032.47-
	3000010000 RET EARN & FD BAL UN	288,158,935.43-		288,158,935.43-
**	Fund Balance Accounts	288,158,935.43-		288,158,935.43-
	4310010000 FEES AND RECEIPTS-OTHER	18,711.33-		18,711.33-
	4600030000 BOND PREMIUM/DISCOUNT AMORIZATION	941,834.05-	267,302.12	674,531.93-
	4650090000 LOAN INTEREST RECEIVED	11,895,172.59-	2,355,934.97-	14,251,107.56-
	4660010000 INVESTMENT EARNINGS	2,887,960.65-	312,525.17	2,575,435.48-
**	Revenue	15,743,678.62-	1,776,107.68-	17,519,786.30-
	5080110010 INTEREST PAYMENTS ON REVENUE BONDS	11,196,177.57	3,415,218.56-	7,780,959.01
*	Debt Service Payments	11,196,177.57	3,415,218.56-	7,780,959.01
	5170700000 ALLOC ST AGENCIES	3,651,000.00		3,651,000.00
*	Allocations	3,651,000.00		3,651,000.00
	5830001001 TRUSTEE FEES	86,110.02		86,110.02
	5830003000 REIMBURSABLE FORECLOSURE EXP	57,139.53	2,813.10-	54,326.43
	5830003001 GAIN/LOSS ON FORECLOSURE PRINC	1,419,134.28	346,934.14	1,766,068.42
	5830003002 GAIN/LOSS ON FORECLOSURE INTEREST	79,835.45	29,051.52	108,886.97
	5830004001 LOAN SRVC EXP ACCR NO FM	144,828.78	143,703.19	288,531.97
	5830005000 BOND ISSUANCE EXPENSE	9,566.45-	317,286.94	307,720.49
	5830005020 OTHER BOND PROGRAM EXPENSES	26,097.02		26,097.02
	5830006000 DEFERED LOSS EARLY EXTINGUISHMENT OF DEBT	126,226.36-	30,806.94	95,419.42-
*	Loan Programs	1,677,352.27	864,969.63	2,542,321.90
**	Expenditure Detail by Group	16,524,529.84	2,550,248.93-	13,974,280.91
	6300040110 TRANSFER IN/OUT SF INDENTURE	26,194.90-		26,194.90-
	6300040120 TRANSFER IN/OUT MRB INDENTURE	1,056,010.89	98,433.93	1,154,444.82
	6300040130 TRANSFER IN/OUT HRB INDENTURE	853,813.48		853,813.48
**	Transfers	1,883,629.47	98,433.93	1,982,063.40
***	Total Fund Balance Detail	285,494,454.74-	4,227,922.68-	289,722,377.42-
****	Total Liabilities and Fund Balance Det	821,271,216.75-	1,035,193.14-	822,306,409.89-
*****	Total			

Canebreak Apartments
Proforma

Proforma

	Year 1	Year 2	Year 3
Revenue			
Net Potential Rent	\$ 1,733,760	\$ 1,768,435	\$ 1,803,804
Total Adjustments (Incl. Vacancy)	<u>(86,688)</u>	<u>(88,422)</u>	<u>(90,190)</u>
Net Rental Income	\$ 1,647,072	\$ 1,680,013	\$ 1,713,614
Total Other Income	14,319	14,606	14,898
Net Revenue	\$ 1,661,391	\$ 1,694,619	\$ 1,728,512
Expenses			
Leasing & Advertising	\$ (5,000)	\$ (5,150)	\$ (5,305)
General & Administrative	(20,000)	(20,600)	(21,218)
Turnover Expense	(30,000)	(30,900)	(31,827)
Repairs & Maintenance	(30,000)	(30,900)	(31,827)
Utilities	(69,428)	(71,511)	(73,656)
Payroll	(168,000)	(173,040)	(178,231)
Management Fees	(41,535)	(42,781)	(44,064)
Administrative/Compliance Monitoring Fee	(6,000)	(6,000)	(6,000)
Contract Services	<u>(32,500)</u>	<u>(33,475)</u>	<u>(34,479)</u>
Total Controllable	\$ (402,463)	\$ (414,357)	\$ (426,608)
Taxes	(17,468)	(17,992)	(18,532)
Insurance	(36,720)	(37,822)	(38,956)
Reserves	<u>(36,000)</u>	<u>(37,080)</u>	<u>(38,192)</u>
Total Expenses	\$ (492,651)	\$ (507,251)	\$ (522,288)
NOI	\$ 1,168,740	\$ 1,187,368	\$ 1,206,223
Principal	\$ (242,986)	\$ (253,264)	\$ (263,977)
Interest	<u>(773,330)</u>	<u>(763,052)</u>	<u>(752,341)</u>
Total Debt Service	\$ (1,016,317)	\$ (1,016,317)	\$ (1,016,317)
DSCR	1.15x	1.17x	1.19x
Net Cash Flow	\$ 152,423	\$ 171,052	\$ 189,907

Operating Assumptions

Loan Amount	\$ 18,745,000
Interest Rate	4.15%
Amortization Period	35 Years



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 06/30/20

Final Version Date:

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: South Carolina State Housing Finance & Development Authority Series: 2020
 Borrower (if not Issuer): Standard Canebreak Venture LP
 Bond Caption: Multifamily Housing Revenue Bonds (Canebreak Apartments Project)
 Bond Resolution Amount: \$25,000,000.00 Est. Production/Par Amt: \$18,745,000.00

(* Used to calculate initial COI percentages; STO bond issues must use Par Amt *)

Final Production/Par Amt: \$0.00

Submitted By:

ENTITY: Standard Canebreak Venture LP
 BY: Parker Poe Adams & Bernstein LLP
 ITS: Bond Counsel
 Tel: 803.255.8000
 Email: emilyluther@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: N/A

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Canebreak Apartments
 Project Address/Location: 1300 Central Ave., Summerville, SC 19483 Amount: \$18,745,000.00
 Project Type: Multifamily Housing Facility County: Dorchester
 Projected Avg Interest Rate: 4.15% Final Maturity: 12/1/2055 (est.)

3. FINANCING (REFUNDED PORTION)

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

4. FINANCING WORKING GROUP

Financial Advisor: N/A Disclosure Counsel: N/A
 Bond Counsel: Parker Poe Adams & Bernstein LLP Issuer's Counsel: Tracey Easton
 Underwriter: KeyBank Real Estate Capital (Lender) Trustee: TBD
 Paying Agent: N/A Other: N/A

5. FINANCING/PROJECT DESCRIPTION

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

The purpose of the financing is to provide funding for the acquisition and substantial rehabilitation of a 120-unit multifamily housing development in the Town of Summerville, Dorchester County, South Carolina. The basis for the information presented in the worksheet is from the application provided by the Borrower to the South Carolina State Housing Finance and Development Authority (which included a market study, project needs assessment report and an appraisal) and a term sheet from Citi Community Capital, the purchaser of the Bonds, and Alliant Capital, Ltd., the tax credit equity provider.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	05/20/20	SC Housing
JBRC Approval:	00/00/00	
SFAA Approval:	06/30/30	SFAA

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

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

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

Sq. Footage -	Entire Project
Cost Estimate -	\$0

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	FY	Spend Down Schedule Notes
\$ 13,625,160.00	9/30/2020	Acquisition of Land; Commence Site Work and Rehabilitation
\$ 5,119,840.00	9/30/2021	Rehabilitation Complete
	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 18,745,000.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 18,745,000.00	\$ 6,265,839.00	Project Fund
(b) Premium/Accr. Int.	\$	\$ 895,353.00	Capitalized Interest Fund
(2) Issuer/Borrower Contr.-LIHTC	\$ 5,633,525.00	\$	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	\$	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 1,075,821.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)	\$	\$ 1,793,128.00	Developer Fee
Type - Def. Dev./GP Equity	\$ 190,842.00	\$ 13,625,160.00	Land Purchase Costs/Site Work
Residual Project Sources		\$ 589,754.00	Operating Reserve
(6) Other		\$ 324,312.00	Other Fees
(a) GF -	\$		Other
(a) FF -	\$		Other
(c) OF -	\$		Other
Total Project Sources	\$ 24,569,367.00	\$ 24,569,367.00	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)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor					\$	\$
Bond Counsel	Parker Poe	N/A	N/A	\$ 65,000.00	\$	\$ 65,000.00
Disclosure Counsel				\$	\$	\$
Issuer's Counsel	Tracey Easton (GC)			\$	\$	\$
Underwriter's Counsel	TBD			\$ 50,000.00	\$	\$ 50,000.00
Underwriter Expenses		N/A	N/A		\$	\$
Trustee's Counsel	TBD	N/A	N/A	\$ 7,500.00	\$	\$ 7,500.00
LIHTC Fees				\$ 65,000.00	\$	\$ 65,000.00
Rating Agency - S&P	n/a				\$	\$
Rating Agency - Moody's	n/a			\$	\$	\$
Rating Agency - Fitch	n/a			\$	\$	\$
Underwriter's Compensation	Orig./Comp./Cost	N/A	N/A	\$ 613,038.00	\$	\$ 613,038.00
Trustee Fees	TBD	N/A	N/A	\$ 7,500.00	\$	\$ 7,500.00
Escrow Agent	n/a			\$	\$	\$
Accountant	n/a			\$	\$	\$
Verification Agent	n/a			\$	\$	\$
Printing	n/a			\$	\$	\$
Publishing	n/a			\$	\$	\$
Advertising	n/a			\$	\$	\$
Contingency				\$ 130,000.00	\$	\$ 130,000.00
Issuer's Fee	SC JEDA / SC SHFDA		N/A	\$ 137,783.00	\$	\$ 137,783.00
				\$ 1,075,821.00	\$	\$ 1,075,821.00

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!
0.35%	#DIV/0!
1.00%	#DIV/0!
0.00%	#DIV/0!

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

3.27%	#DIV/0!
1.47%	#DIV/0!
5.74%	#DIV/0!



Emily S. Luther

Partner

Telephone: 803.253.6841

Direct Fax: 803.255.8017

emilyluther@parkerpoe.com

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

May 21, 2020

VIA EMAIL AND HAND DELIVERY

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 \$35,000,000
South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Note
(Waters at Oakbrook)
Series 2020***

Dear Delbert:

The South Carolina State Housing Finance and Development Authority ("Authority") proposes to issue its Multifamily Housing Revenue Note (Waters at Oakbrook) Series 2020 ("Note") in an aggregate principal amount of not exceeding \$35,000,000. On behalf of the Authority, I am writing to request approval of the Note by the State Fiscal Accountability Authority ("SFAA") at its meeting scheduled for June 30, 2020. 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 20, 2020;
3. Petition of the Authority to the SFAA;
4. A form of the approving Resolution to be considered for adoption by the SFAA on June 30, 2020;
5. A form of a Notice of Action;
6. A form of bond counsel's opinion letter;
7. An organizational chart of the Sponsor (as defined herein); and
8. Biographies of each of the principals of the Sponsor.

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

Delbert H. Singleton, Jr.
May 21, 2020
Page 2

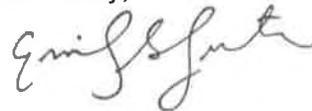
The Authority anticipates that it will use the proceeds of the Note to make a mortgage loan to Waters at Oakbrook, LP, a South Carolina limited partnership ("Sponsor"), for the acquisition, design, construction, and equipping of a new 216-unit multifamily affordable housing development located in the Town of Summerville, Dorchester County, South Carolina ("Development"). The Development will be known as Waters at Oakbrook.

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 Note following receipt by the State Treasurer of information with respect to the final details of the Note (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 Note. 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 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 Note.

Thank you for your assistance. We recognize the present social distancing conditions mandated by the novel coronavirus could affect the SFAA's meeting schedule and procedures. We will monitor the SFAA's website for any changes. 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

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 21, 2020

Submitted for SFAA Meeting on:
June 30, 2020

FROM:

RE:

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

\$35,000,000
Amount of Issue
South Carolina State Housing Finance and
Development Authority
Name of Issuing Authority
Multifamily Housing Revenue Note
Type of Bonds or Notes
on or around August 30, 2020
Projected Issue Date

Project Name: Waters at Oakbrook

Project Description: Acquisition, construction and equipping of a 216 unit multifamily affordable housing
apartment complex in the Town of Summerville, Dorchester County, South Carolina

Employment as a result of the project: N/A

Ceiling Allocation Required
X Yes (\$35,000,000) No
Amount

Refunding Involved
Yes (\$) No
Amount

Project Approved Previously
Yes (\$) 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. X State Fiscal Accountability Authority Resolution and Public Notice (original)

Plus 1 copies for certification and return to bond counsel

F. X Draft bond counsel opinion letter

G. N/A Processing Fee

Amount: \$
Payor:

Check No:

Bond Counsel: Parker Poe Adams & Bernstein LLP
Typed Name of Bond Counsel

By:

ATTACHMENT A TO TRANSMITTAL FORM

The South Carolina State Housing and Finance and Development Authority (“Housing Authority”), has proposed to issue its Multifamily Housing Revenue Note (Waters at Oakbrook) Series 2020, in the aggregate principal amount of not exceeding \$35,000,000 for the purpose of funding a mortgage loan to Waters at Oakbrook, LP, a South Carolina limited partnership (the “Sponsor”), to provide a portion of the financing needed for the acquisition, construction, design, and equipping of a new 216-unit multifamily affordable housing development located in the Town of Summerville, Dorchester County, South Carolina, to be known as Waters at Oakbrook (the “Project”). The Project consists of garden-style apartment buildings with one bedroom, two bedroom, and three bedroom dwelling units. Seventy-five percent of the units will be reserved for households with incomes below 60% of the area median income.

Additionally, the Sponsor plans to implement programs, mainly targeted to children living at the Project, to support the families living at the Project. These programs include summer and after-school programs which will provide tutoring, computer labs and ESL classes. The Sponsor will also provide scholarship opportunities to those children living at the Project as well as discounted rent opportunities to families with children who achieve perfect attendance or honor roll status.

A RESOLUTION

MAKING PRELIMINARY PROVISION FOR THE ISSUANCE OF NOT EXCEEDING \$35,000,000 AGGREGATE PRINCIPAL AMOUNT OF A MULTIFAMILY HOUSING REVENUE NOTE (WATERS AT OAKBROOK) SERIES 2020 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, Waters at Oakbrook, 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 a note to be known as Multifamily Housing Revenue Note (Waters at Oakbrook) Series 2020, in the aggregate principal amount of not exceeding \$35,000,000 for the purpose of making a loan (the "*Mortgage Loan*") to the Sponsor for the acquisition, construction, design, and equipping of an approximately 216-unit apartment development located in the City of Summerville, Dorchester County, South Carolina, to be known as Waters at Oakbrook (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 a note to be designated as "South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Note (Waters at Oakbrook) Series 2020" (with any appropriate series or subseries designations) in the aggregate principal amount of not exceeding \$35,000,000 (the "Note").

Any obligation of the Authority 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) 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 Note 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 Note 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 Note. 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 Note; Purchase Contract. The Chairman and the Executive Director of the Authority are hereby authorized to sell the Note to a purchaser to be designated by the Executive Director (the "**Purchaser**") pursuant to the terms and conditions of a purchase contract or funding agreement the terms of 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 Note does not exceed the limitations or contravene the conditions as described in the Act and (i) the Note is 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 Note is to be purchased directly for investment. The purchase price of the Note 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 Note 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 Note, 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 Note.

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 Note 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 20th day of May 2020, 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 2020.

**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)
_____)

WATERS AT OAKBROOK
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. Waters at Oakbrook, LP (the “*Sponsor*”), has applied to and requested the Authority to assist the Sponsor by issuing a note, anticipated to be designated as Multifamily Housing Revenue Note (Waters at Oakbrook) Series 2020 (“*Note*”), in the aggregate principal amount of not exceeding \$35,000,000 for the acquisition, construction, design, and equipping of an approximately 216-unit multifamily development located in the Town of Summerville, Dorchester County, South Carolina, to be known as Waters at Oakbrook (the “*Project*”).

3. The Authority has preliminarily approved the issuance of the Note pursuant to a resolution adopted May 20, 2020, to provide funds to make a mortgage loan to the Sponsor for the acquisition, construction, design, 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 Note.

4. The Authority will adopt a final resolution (the “*Resolution*”) authorizing the issuance and sale of the Note and establishing the definitive terms thereof, including those revenues and assets to be pledged to the payment of the Note. 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 Note 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 Note shall be finally determined prior to the date the Note

is 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 Note and to grant on behalf of the SFAA final approval for the issuance of the Note. Prior to the issuance of the Note, 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 Note to be issued;
- (b) the maturity schedule of the Note 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 Note.

8. The Note 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.

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 Note required by the SFAA.

WHEREFORE, on the basis of the foregoing, the Authority prays preliminary approval by the SFAA of the issuance of the Note 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 Note.

Respectfully submitted,

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

Tracey C. Easton
General Counsel

May __, 2020

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH
CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT
AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE NOTE
(WATERS AT OAKBROOK) SERIES 2020**

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 of 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, Waters at Oakbrook, LP, a South Carolina limited partnership (the “Sponsor”), has requested the Authority to assist it in an undertaking to acquire, design, construct and equip a multifamily affordable housing development, consisting of 216 units, located in the Town of Summerville, Dorchester County, South Carolina (the “Project”); and

WHEREAS, in order to provide money to acquire design, construct and equip the Project, the Authority proposes to issue its revenue note to be known as South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Note (Waters at Oakbrook) Series 2020 in an aggregate principal amount of not exceeding \$35,000,000 (the “Note”); and

WHEREAS, the Authority has presented to the SFAA its Petition dated as of May[], 2020 (the “Petition”), which sets forth certain information with respect to the Note.

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 Note to be designated as the South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Note (Waters at Oakbrook), or such other designation as the Board of Commissioners of the Authority may determine, in the principal amount of not exceeding \$35,000,000.

Section 3. The approval of the SF AA 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 information required to be submitted to the SF AA by the provisions of Section 31-3-220, to wit:

- (i) the principal amount of the Note to be issued;
- (ii) the maturity schedule of the Note 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 Note;

(b) The approval of the State Treasurer of the form and substance of the Note 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 Note, will be sufficient to provide for the payment of the principal and interest thereon;

(d) The documents pursuant to which the Note is being issued shall provide that all expenses, costs, and fees of the Authority in connection with the issuance of the Note, 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 \$35,000,000 Multifamily Housing Revenue Note (Waters at Oakbrook) Series 2020, in one or more series (“Note”), 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 Note to fund a mortgage loan to Waters at Oakbrook, LP, a South Carolina limited partnership (“Borrower”), to (i) finance the costs of acquiring, designing, constructing and equipping a new 216-unit multifamily housing development to be known as Waters at Oakbrook located in the Town of Summerville, Dorchester 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 Note.

The Note 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 Note is not an indebtedness of the State of South Carolina (“State”).

The Note 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 19, 2020. The Note 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 Dorchester County.

STATE FISCAL ACCOUNTABILITY AUTHORITY
OF SOUTH CAROLINA

By: Delbert H. Singleton, Jr., Secretary

[], 2020

South Carolina State Housing Finance
and Development Authority
Columbia, South Carolina

Re:

\$35,000,000*
South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Note
(Waters at Oakbrook)
Series 2020

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the South Carolina State Housing Finance and Development Authority (“**Issuer**”) of its \$35,000,000* Multifamily Housing Revenue Note (Waters at Ribaut) Series 2020 (“**Bonds**”).

The Bonds recite that they are issued under and pursuant to Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended (“**Act**”). The Bonds are being issued under a Funding Loan Agreement, dated as of [], 2020 (“**Indenture**”), between the Issuer and [], a national banking corporation, as trustee (“**Trustee**”). Capitalized terms not defined herein shall have the same meaning as set forth in the Indenture.

The Bonds are initially issued as a single certificate registered in the name of Cede & Co. in the aggregate principal amount of \$35,000,000* and are dated [], 2020. The Bonds bear interest from the date thereof payable in accordance with terms provided therein. The Bonds mature on []. The Bonds are subject to redemption upon the terms and conditions and at the prices set forth therein. The Bonds are also subject to special mandatory purchase upon the terms and conditions set forth therein.

The Bonds are being issued for the primary purpose of providing funds for the making of a mortgage loan (“**Loan**”) from the Issuer to Waters at Oakbrook, LP (“**Borrower**”), pursuant to that certain Project Loan Agreement, dated as of [], 2020 (“**Loan Agreement**”), between the Issuer and the Borrower, for the acquisition, design, construction and equipping of a 216-unit multifamily affordable housing development to be known as Waters at Oakbrook and located in the Town of Summerville, Dorchester County, South Carolina.

In connection with the foregoing, we have examined (i) the Constitution of the State of South Carolina, 1895, as amended, the Act and other relevant statutes of the State of South Carolina (“**State**”); (ii) certified copies of the resolution of the Board of Commissioners of the Issuer authorizing the issuance of the Bonds on August [19], 2020 (“**Resolution**”); (iii) certified copies of the proceedings of the State Fiscal Accountability Authority (“**Authority**”) relating to the Bonds, including a resolution adopted by the Authority on June [30], 2020; (iv) the Loan Agreement; (v) the Indenture; (vi) the Agreement as to Restrictive Covenants, dated [], 2020 (“**Regulatory Agreement**”), between the Issuer and the Borrower; (vii) the Tax Certificate, dated [], 2020 (“**Tax Certificate**”), among the Issuer, the Borrower and the Trustee (collectively, the Resolution, the Indenture, the Loan Agreement, the Regulatory Agreement, and the Tax Certificate, are referred to herein as the “**Bond Documents**”); and (viii) such other records and documents

* Preliminary; Subject to change.

as we have considered necessary or appropriate in rendering the following opinions. We have also examined one fully executed Bond.

As to questions of fact material to the opinions hereinafter expressed, we have relied upon representations of the Issuer and the Borrower contained in the Bond Documents, the certified proceedings and other certifications of public officials and others furnished to us, including certifications furnished to us by or on behalf of the Issuer and the Borrower, without undertaking to verify the same by independent investigation. We have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, and documents and proceedings.

In giving the opinions hereinafter expressed, 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, and such opinions are limited to the federal laws of the United States of America and the laws of the State.

Based upon the foregoing, it is our opinion under existing law that:

1. The Issuer is a duly created and validly existing public body corporate and politic and an agency of the State with full power and authority to issue the Bonds, to make the Loan with the proceeds of the Bonds, and to perform all of its obligations under the Bond Documents.

2. The Issuer has the right, power and authority under the Act to adopt the Resolution and execute the Bond Documents and each has been duly and lawfully authorized, executed and delivered by the Issuer, and is valid and binding upon the Issuer and enforceable in accordance with its terms.

3. The Indenture creates a valid pledge of the Trust Estate for payment of the Bonds pursuant to the terms of the Indenture.

4. The Bonds have been duly authorized, executed and delivered and constitute legal valid and binding special obligations of the Issuer enforceable in accordance with their terms and the terms of the Indenture. The Bonds are secured in the manner and the extent prescribed by the Indenture.

5. The Bonds are not a debt or grant or loan of credit of the State or any political subdivision thereof and neither the State nor any political subdivision thereof is liable thereon, nor shall the Bonds be payable out of any funds other than those of the Issuer pledged therefor under the Indenture.

6. Interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is 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 ("*Code*"). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer and the Borrower 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 income tax purposes. The Issuer and the Borrower have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to

the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

7. The Bonds and the interest thereon are presently exempt from all State, county, municipal, school district, and all other taxes or assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except for inheritance, estate and transfer taxes, but the interest on the Bonds may be includable for certain franchise fees or taxes.

8. The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is not required to be qualified under the Trust Indenture Act of 1939, as amended.

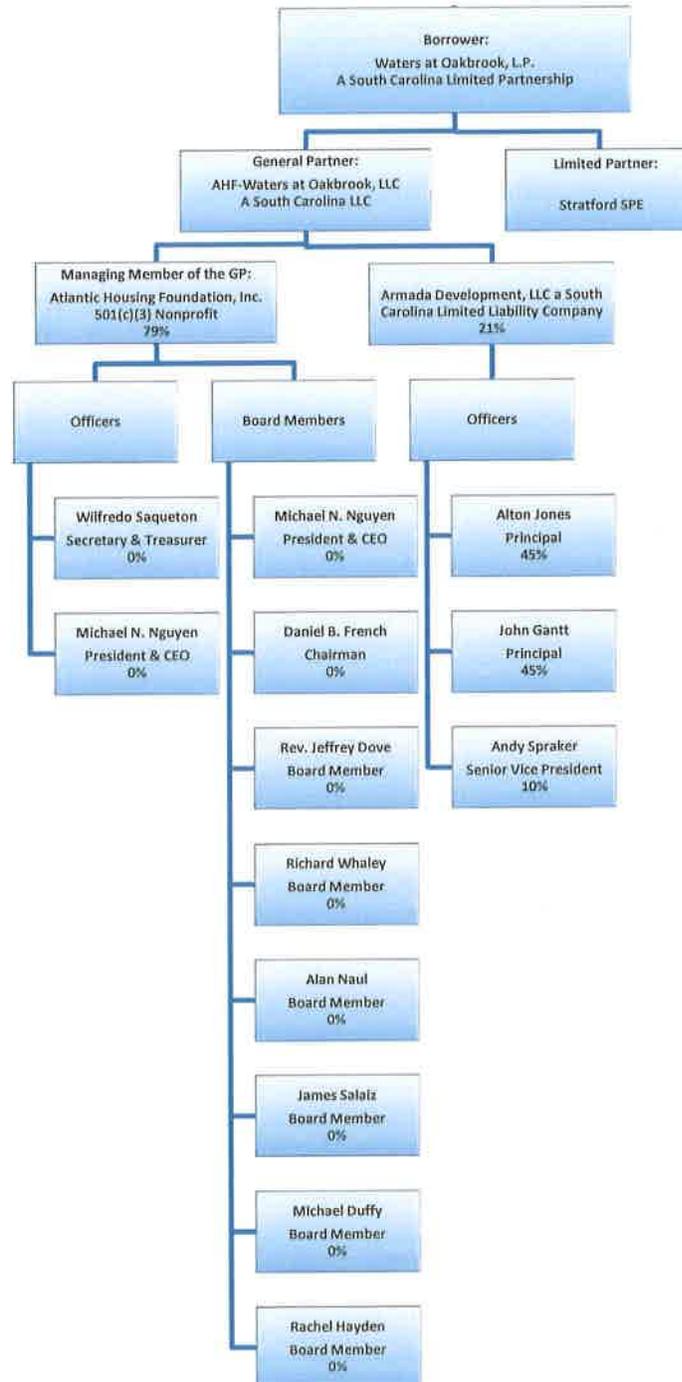
It is understood that the enforceability of the Indenture and the Bonds may be subject to judicial discretion, the exercise of the sovereign police powers of the State or the constitutional powers of the United States of America and valid bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights generally.

Except as set forth above, we express no opinion in connection with the issuance and sale of the Bonds. The opinions expressed above are rendered solely for the benefit of the addressees hereof in connection with the issuance of the Bonds. These opinions 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 opinions expressed above for events occurring or coming to our attention after the date of this letter.

Very truly yours,

PARKER POE ADAMS & BERNSTEIN LLP

Waters at Oakbrook Organizational Chart



Board of Directors and Officers of Atlantic Housing Foundation, Inc.

Richard Whaley. *Founding Member.* Mr. Whaley is a founding trustee of the Sole Member and has more than 40 years' experience developing or acquiring real estate throughout most regions of the United States. He has been or is currently involved in a number of professional and civic associations, including Founding Trustee, Dalhberg Center; Founding Member, Ohio State Advocates; Former Director, Affordable Housing Tax Credit Coalition and Former Board Director National Housing and Rehabilitation Association, Board of Trustee - Nightingale Home Care Inc., member of NAIOP - National Association of Industrial and Office Properties Central Florida Chapter, member of FIABCI - The International Real Estate Federation.

Daniel B. French. *Founding Member.* Mr. French, is the founder of the Sole Member and served as its President and Chief Executive Officer until 2008. He continues to serve as Chairman of its Board of Trustees and remains involved with Finance and Acquisition activities for the Sole Member and its affiliates. Mr. French has been involved in the affordable housing field since 1990 when he was made head of the Affordable Housing Department of the San Antonio office of the Resolution Trust Corporation. He also served the San Antonio Housing Authority as Director of Development. He has also served as Housing Commissioner of the Town of Hilton Head Island, SC and Chairman of the greater Hilton Head Community Development Corp. Mr. French has 40 years of experience in the areas of development, finance, operation, appraisal and brokerage of real estate. He holds an MBA from the University of Texas, San Antonio.

Michael N. Nguyen. *President.* Mr. Nguyen became the President and Chief Executive Officer of the Sole Member in April, 2008. Mr. Nguyen has over 14 years of experience as an executive in multifamily acquisition, development, rehabilitation, disposition and asset management. Prior to joining the Sole Member, Mr. Nguyen founded Cima Advisors, a real estate structured finance and asset management firm. Previously, he was a partner at the Utley Group, a private equity firm with a key focus on multifamily acquisition and development. Before the real estate business, Mr. Nguyen was an investment banker specializing in mergers and acquisitions, corporate restructuring, debt and equity placements. He was also a Principal with First Southwest Company in its corporate finance department and a Financial Analyst at Banque Paribas and Prudential-Bache in New York. Mr. Nguyen holds a Bachelor of Business Administration Degree and MBA from the University of Texas.

Rev. Jeffrey Dove. *Community Member.* Rev. Dove is a graduate of Edward Waters College with a Bachelor of Business Administration and a Masters of Divinity from the Interdenominational Theology Center. He currently serves as senior Pastor of Saint Paul AME Church, Ocala Florida.. Under his leadership, one of the critical concerns of the 11th district is to address how the AME Church can help return citizens (formerly incarcerated) in their transition back into society. He was recently named as a recipient of a grant from Duke University Divinity to explore best practices for formerly incarcerated individuals returning from prison or jail. Rev Dove also created save our daughters and sons (S.O.D.A.S) summer youth program, that allows underprivileged youth the opportunity to gain valuable jobs skills and learn the importance of volunteerism. In addition, he has served on the Economic Development Board for the City of New Smyrna Beach, Florida and as Chaplain of the Black Heritage Museum.

James Salaiz. *Community Member.* James Salaiz is a US Army Veteran and a Licensed Texas Real Estate Broker since 1975. He went to St. Mary's University in San Antonio, TX, where he received his master's degree in economics. He was a member of the Bexar County Housing Authority for 12 years and served as Chair for 3 years. Since 2007, he's been an active volunteer in supporting Wounded Warriors by organizing events over a broad range of activities and arranging for rent-free apartments for the Wounded Warriors during their convalescence.

Rachel Hayden. *Community Member.* Ms. Hayden joined the board of trustees of the Sole Member in 2019. She is a licensed professional engineer and Vice President/Regional Growth Leader of GEI Consultants, a national civil engineering consulting firm. In 2018 GEI acquired Hayden Consultants, Inc., the firm Rachel founded in March of 2000. Today the company employs over 40 employees, with a focus

on transportation, water resources, transit and construction services. Ms. Hayden has served in leadership and board positions for numerous professional organizations, including state Chair of the American Council of Engineering Companies (ACEC) Texas, President of the ASCE Dallas Branch and President of ACEC Dallas Chapter. She currently serves on the Texas A&M University Civil Engineering Advisory Council.

Michael Duffy. *Community Member.* Mr. Duffy joined the board of trustees in 2019. He brings experience from a 37-year career in commercial real estate investment and development, the last 18 with Trammell Crow Company, the nation's largest commercial developer, where he serves as Chief Operating Officer. Previously, Mr. Duffy previously worked with Principal Real Estate Investors, The Balcor Company, and Urban Investment and Development Company. He is a current partner and past board member of Social Venture Partners – Dallas and also serves on the board of directors of St. Mary's of Carmel School. Mr. Duffy holds a BBA from the University of Notre Dame and an MM from Northwestern University's Kellogg Graduate School of Management.

Alan Naul. *Community Member.* Mr. Naul joined as a member of the board of trustees in 2019. Mr. Naul is the founder and President of the Javelin Group in Dallas, Texas, and has the primary responsibility for its strategic direction. Javelin develops and invests in cutting edge housing and healthcare real estate to serve the burgeoning senior population. Prior to Javelin, Mr. Naul worked as a Managing Director for the Hampstead Group, where he was active in all aspects of the firm's real estate and corporate investments. He serves as board member of an East Texas Municipal District and is a proud graduate of the Cox School of Business at Southern Methodist University.

Wilfredo Saqueton. *Secretary & Treasurer.* Mr. Saqueton has over 25 years of corporate financial management and public accounting experience, most recently in multi-unit services as the Chief Financial Officer of BRHACO, LLC dba Driver's Edge, a full service automotive repair and maintenance company. Prior to BRHACO, he served as CFO of companies with multi-unit operations including Just Brakes with approximately 160 retail locations and SWS Environmental Services with approximately 25 service centers. Mr. Saqueton also served as CFO of TransAtlantic Petroleum, Ltd., a publicly traded oil and gas exploration and production company. Prior to his CFO roles, Wil worked at Intel Corporation for 11 years in various operational finance roles ending as the strategic controller of the Chipset Division generating \$4 billion of annual revenue. Wil began his career at Price Waterhouse in San Jose, California. He earned his certified public accountant license in California and holds a B.A. in Accounting from Santa Clara University and an MBA from the University of California, Davis.

Selected Accounts Variation Report

Run Date / Time 04/01/2020, 14:22:30

Bus Area: L320 Fund: 6001900000.600 Grant: *
 Cost Ctr: * Funded Program: *
 Account Group Selected: SC TRIAL_BALANCE_DETAIL

Period: 9, 2020

GL Account	YTD Beg Bal	MTD Activity	YTD End Bal
1000000000 CASH DUE TO/FROM	1,600.18-		1,600.18-
1000030000 CASH ON DEPOSIT-STO			
1000070120 REVENU ACCT-SERV PRG			
1000070200 PROGRAM FUND-LN PRG	480,243,142.58		480,243,142.58
1000070201 ESCROW FUND-LOAN PRG			
1000070202 COST OF ISS FD-LN PG	1,219,742.03	317,286.94-	902,455.09
1000070203 REVENUE FUND-LN PRG	441,593,795.28-	1,846,652.02-	443,440,447.30-
1000070204 REDEMPTION FD-LN PRG			
1000070205 BOND RES FUND-LN PRG	1,992,012.29		1,992,012.29
1000070206 REVENUE RES FD-LN PG			
1000070207 RESTRICTED FD-LN PRG			
1000070208 ARB REB LIB FD-LN PG			
** Cash Accounts	41,859,501.44	2,163,938.96-	39,695,562.48
1200013000 Investments - Debt - Domestic			
1200040000 Investments - Accumulated Discount-Curr			
1200050000 Investments Mark to Market- Curr			
** Investments Current			
1204013000 INVESTMENTS - DEBT - DOMESTIC	90,211,890.53		90,211,890.53
** Investments Non-Current	90,211,890.53		90,211,890.53
1300200000 ACCRUED INTEREST RECEIVABLE NON INVESTMENT		32,310.80-	32,310.80-
1300210000 ACCRUED INTEREST RECEIV ON INVESTMENTS	359,600.14	362,188.85-	2,588.71-
1310000000 LOANS AND NOTES RECEIVABLE - CURRENT	616,339,219.72	3,920,619.26-	612,418,600.46
1310000001 LOANS AND NOTES RECEIVABLE - NONCURRENT			
1311000000 ALLOW FOR UNCOLLECT LOAN/NOTE REC - CURR	77,248.99-		77,248.99-
1312000000 LOANS PENDING - SINGLE FAMILY	75,376,815.40	7,545,057.95	82,921,873.35
1313000000 FORECLOSED REAL ESTATE HELD FOR RESALE			
1390010000 INTERFUND RECEIVABLES			
** Accounts Receivable	691,998,386.27	3,229,939.04	695,228,325.31
1600120000 PREPAID BOND INSURANCE			
** Prepaid Expenditures - Current			
1610010000 UNAMORTIZED DISCOUNTS ON BONDS-CURR		30,806.94-	2,829,368.43-
1610020000 UNAMORTIZED DEF EARLY EXT OF DEBT-CURR	2,798,561.49-		
1620020000 DEFERRED BOND FINANCING COSTS-NONCUR			
** Other Long Term Assets	2,798,561.49-	30,806.94-	2,829,368.43-
*** Total Assets	821,271,216.75	1,035,193.14	822,306,409.89
**** Total Assets	821,271,216.75	1,035,193.14	822,306,409.89
2010033000 ACCOUNTS PAYABLE - LOAN SERVICING INST		2,813.10	2,813.10

**	Accounts Payable		2,813.10	2,813.10
	2090010000 INTERFUND PAYABLES	42,000.00-	42,000.00	
	2200201000 LIAB PAY FROM REST ASSET - INT PAY ON BD	3,415,218.54-	3,415,218.56	0.02
	2200400000 LIAB PAY FM REST ASSET - BONDS PAY-CURR	513,325,000.00-		513,325,000.00-
	2200400001 LIAB RST - BD PY- LT			
	2200600000 PREPAID MORTGAGE INTEREST			
	2400130000 OTHER CURRENT LIABILITIES			
	2406061000 UNAMORTIZED PREMIUM ON BONDS	18,994,543.47-	267,302.12-	19,261,845.59-
**	Other Liabilities	535,776,762.01-	3,189,916.44	532,586,845.57-
***	Total Liabilities	535,776,762.01-	3,192,729.54	532,584,032.47-
	3000010000 RET EARN & FD BAL UN	288,158,935.43-		288,158,935.43-
**	Fund Balance Accounts	288,158,935.43-		288,158,935.43-
	4310010000 FEES AND RECEIPTS-OTHER	18,711.33-		18,711.33-
	4600030000 BOND PREMIUM/DISCOUNT AMORIZATION	941,834.05-	267,302.12	674,531.93-
	4650090000 LOAN INTEREST RECEIVED	11,895,172.59-	2,355,934.97-	14,251,107.56-
	4660010000 INVESTMENT EARNINGS	2,887,960.65-	312,525.17	2,575,435.48-
**	Revenue	15,743,678.62-	1,776,107.68-	17,519,786.30-
	5080110010 INTEREST PAYMENTS ON REVENUE BONDS	11,196,177.57	3,415,218.56-	7,780,959.01
*	Debt Service Payments	11,196,177.57	3,415,218.56-	7,780,959.01
	5170700000 ALLOC ST AGENCIES	3,651,000.00		3,651,000.00
*	Allocations	3,651,000.00		3,651,000.00
	5830001001 TRUSTEE FEES	86,110.02		86,110.02
	5830003000 REIMBURSABLE FORECLOSURE EXP	57,139.53	2,813.10-	54,326.43
	5830003001 GAIN/LOSS ON FORECLOSURE PRINC	1,419,134.28	346,934.14	1,766,068.42
	5830003002 GAIN/LOSS ON FORECLOSURE INTEREST	79,835.45	29,051.52	108,886.97
	5830004001 LOAN SRVC EXP ACCR NO FM	144,828.78	143,703.19	288,531.97
	5830005000 BOND ISSUANCE EXPENSE	9,566.45-	317,286.94	307,720.49
	5830005020 OTHER BOND PROGRAM EXPENSES	26,097.02		26,097.02
	5830006000 DEFERRED LOSS ERLY EXTINGUISHMENT OF DEBT	126,226.36-	30,806.94	95,419.42-
*	Loan Programs	1,677,352.27	864,969.63	2,542,321.90
**	Expenditure Detail by Group	16,524,529.84	2,550,248.93-	13,974,280.91
	6300040110 TRANSFER IN/OUT SF INDENTURE	26,194.90-		26,194.90-
	6300040120 TRANSFER IN/OUT MRB INDENTURE	1,056,010.89	98,433.93	1,154,444.82
	6300040130 TRANSFER IN/OUT HRB INDENTURE	853,813.48		853,813.48
**	Transfers	1,883,629.47	98,433.93	1,982,063.40
***	Total Fund Balance Detail	285,494,454.74-	4,227,922.68-	289,722,377.42-
****	Total Liabilities and Fund Balance Det	821,271,216.75-	1,035,193.14-	822,306,409.89-
*****	Total			

SCSHFDA
MULTI-FAMILY HOUSING TAX-EXEMPT
BONDS

4% LIHTC

PRO FORMA NOI

	Operating Pro Forma	Basis	CONSTRUCTION PERIOD		
			Year 1	Year 2	Year 3
INCOME					
Gross Potential Rental Income	1,498,140.00	2.00%	\$878,416.00	1,498,140.00	\$1,528,102.80
Total Other Income	3,600.00		908.80	3,600.00	3,672.00
Total Potential Income	1,501,740.00		\$879,324.80	1,501,740.00	\$1,531,774.80
Less: Vacancy	(75,087.00)	-5.00%	(175,864.96)	(75,087.00)	(76,588.74)
Effective Gross Income	1,426,653.00		\$703,459.84	1,426,653.00	\$1,455,186.06
EXPENSES					
Administration	\$36,000.00	3.00%	\$29,241.23	\$36,000.00	\$37,080.00
Management Fee	71,333.00		57,940.69	71,333.00	58,207.44
Advertising & Promotions	5,000.00		4,061.28	5,000.00	5,150.00
Repairs & Maintenance	83,400.00		67,742.19	83,400.00	85,902.00
Real Estate Taxes	-		-	-	-
Personnel	191,849.00		155,830.58	191,849.00	197,604.47
Security Monitoring	25,000.00		20,306.41	25,000.00	25,750.00
Insurance	56,000.00		45,486.36	56,000.00	57,680.00
Utilities	158,380.00		128,645.17	158,380.00	163,131.40
Reserve	30,000.00		24,367.69	30,000.00	30,900.00
Total Expenses	\$656,962.00		\$533,621.60	\$656,962.00	\$681,405.31
Net Operating Income Available for Debt Service	\$769,691.00		\$169,838.24	\$769,691.00	\$793,780.75

Senior Debt

Loan Amount:	\$ 17,225,000.00	Principal:	\$ -	\$ 75,929.00	\$ 142,348.00
Construction Period Interest Rate (fixed):	3.92%	Interest:	435,694.00	571,245.00	504,826.00
Permanent Interest Rate:	3.92%	Capitalized Interest:	(435,694.00)	-	-
Amortization:	40 Years	Total Net Payment:	\$ -	\$ 647,174.00	\$ 647,174.00
		DSCR:	N/A	1.19	1.23

Net Cash Flow

\$ 169,838.24 \$ 122,517.00 \$ 146,606.75



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 06/30/20

Final Version Date:

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: South Carolina State Housing Finance & Development Authority Series: 2020
 Borrower (if not Issuer): Waters at Oakbrook, LP
 Bond Caption: Multifamily Housing Revenue Note (Waters at Oakbrook)
 Bond Resolution Amount: \$35,000,000.00 Est. Production/Par Amt: \$25,100,000.00

(* Used to calculate initial COI percentages; STO bond issues must use Par Amt *)

Final Production/Par Amt: \$0.00

Submitted By:

ENTITY: Waters at Oakbrook, LP
 BY: Parker Poe Adams & Bernstein LLP
 ITS: Bond Counsel
 Tel: 803.255.8000
 Email: emilyluther@parkerpoe.com

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: N/A

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Waters at Oakbrook
 Project Address/Location: Old Trolley Road, Summerville, SC 29485 Amount: \$25,100,000.00
 Project Type: Multifamily Housing Facility County: Dorchester
 Projected Avg Interest Rate: 3.61% Final Maturity: 12/1/2055 (est.)

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: N/A Disclosure Counsel: N/A
 Bond Counsel: Parker Poe Adams & Bernstein LLP Issuer's Counsel: Tracey Easton
 Underwriter: R4 Capital Funding, LLC Trustee: Wilmington Trust, National Association
 Paying Agent: N/A Other: KutakRock (Lender's Counsel)

5. FINANCING/PROJECT DESCRIPTION

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

The purpose of the financing is to provide funding for the acquisition, design, construction, and equipping of a new 216-unit multifamily housing development in Dorchester County, South Carolina. The basis for the information presented in the worksheet is from the application provided by the Borrower to the South Carolina State Housing Finance and Development Authority (which included a market study, project needs assessment report and an appraisal) and a term sheet from Stratford Capital, the tax credit equity provider, and Chase Bank, as purchaser of the Bonds.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	05/20/20	SC Housing
JBRC Approval:	00/00/00	
SFAA Approval:	06/30/20	SFAA

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

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"/>	<input 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?

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

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

Sq. Footage -	Entire Project
Cost Estimate -	\$0

b.

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	FY	Spend Down Schedule Notes
\$ 5,526,500.00	8/31/2020	Acquisition of Land; Commence Site Work and Construction
\$ 9,786,750.00	2/28/2021	Construction
\$ 9,786,750.00	8/31/2021	Construction
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 25,100,000.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 25,100,000.00	\$ 20,630,345.00	Project Fund
(b) Premium/Accr. Int.	\$	\$ 898,937.00	Capitalized Interest Fund
(2) Issuer/Borrower Contr.-LIHTC	\$ 6,497,610.00		Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$		Redemption Price/Escrow Deposit
(4) Debt Service Reserve		\$ 1,426,300.00	Cost of Issuance (Incl. UW Disc.)
Fund Contribution	\$	\$ 3,759,893.00	Developer Fee
(5) Other (Specify)		\$ 5,526,500.00	Land Purchase Costs/Site Work
Type - Def. Dev./GP Equity	\$ 1,335,660.00	\$ 344,834.00	Operating Reserve
Residual Project Sources		\$ 346,461.00	Other Fees
(6) Other			Other
(a) GF -		\$	Other
(a) FF -		\$	Other
(c) OF -	\$	\$	Other
Total Project Sources	\$ 32,933,270.00	\$ 32,933,270.00	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)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor					\$	\$
Bond Counsel	Parker Poe	N/A	N/A	\$ 65,000.00	\$	\$ 65,000.00
Disclosure Counsel					\$	\$
Issuer's Counsel	Tracey Easton (GC)				\$	\$
Underwriter's Counsel	KutakRock			\$ 60,000.00	\$	\$ 60,000.00
Underwriter Expenses		N/A	N/A	\$ 200,000.00	\$	\$ 200,000.00
Trustee's Counsel	Naman Howell	N/A	N/A	\$ 7,500.00	\$	\$ 7,500.00
LIHTC Fees				\$ 50,000.00	\$	\$ 50,000.00
Rating Agency - S&P	n/a				\$	\$
Rating Agency - Moody's	n/a				\$	\$
Rating Agency - Fitch	n/a				\$	\$
Underwriter's Compensation	Orig./Comp./Cost	N/A	N/A	\$ 581,300.00		\$ 581,300.00
Trustee Fees	Wilmington Trust	N/A	N/A	\$ 7,500.00	\$	\$ 7,500.00
Escrow Agent	n/a				\$	\$
Accountant	n/a				\$	\$
Verification Agent	n/a				\$	\$
Printing	n/a				\$	\$
Publishing	n/a				\$	\$
Advertising	n/a				\$	\$
Contingency				\$ 350,000.00	\$	\$ 350,000.00
Issuer's Fee	SC JEDA / SC SHFDA		N/A	\$ 105,000.00	\$	\$ 105,000.00
				\$ 1,426,300.00	\$	\$ 1,426,300.00

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!
0.26%	#DIV/0!
1.52%	#DIV/0!
0.00%	#DIV/0!

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

2.32%	#DIV/0!
1.84%	#DIV/0!
5.68%	#DIV/0!



Emily S. Luther

Partner

Telephone: 803.253.6841

Direct Fax: 803.255.8017

emilyluther@parkerpoe.com

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

May 21, 2020

VIA EMAIL AND HAND DELIVERY

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 \$25,000,000
South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Note
(Waters at West Ashley)
Series 2020***

Dear Delbert:

The South Carolina State Housing Finance and Development Authority ("Authority") proposes to issue its Multifamily Housing Revenue Note (Waters at West Ashley) Series 2020 ("Note") in an aggregate principal amount of not exceeding \$25,000,000. On behalf of the Authority, I am writing to request approval of the Note by the State Fiscal Accountability Authority ("SFAA") at its meeting scheduled for June 30, 2020. 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 20, 2020;
3. Petition of the Authority to the SFAA;
4. A form of the approving Resolution to be considered for adoption by the SFAA on June 30, 2020;
5. A form of a Notice of Action;
6. A form of bond counsel's opinion letter;
7. An organizational chart of the Sponsor (as defined herein); and
8. Biographies of each of the principals of the Sponsor.

C.

Delbert H. Singleton, Jr.
May 21, 2020
Page 2

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

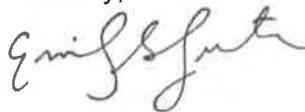
The Authority anticipates that it will use the proceeds of the Note to make a mortgage loan to Waters at West Ashley, LP, a South Carolina limited partnership ("Sponsor"), for the acquisition, rehabilitation and equipping of a 100-unit multifamily affordable housing development located in the City of Charleston, South Carolina ("Development"). The Development will be known as Waters at West Ashley.

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 Note following receipt by the State Treasurer of information with respect to the final details of the Note (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 Note. 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 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 Note.

Thank you for your assistance. We recognize the present social distancing conditions mandated by the novel coronavirus could affect the SFAA's meeting schedule and procedures. We will monitor the SFAA's website for any changes. 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

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 21, 2020

Submitted for SFAA Meeting on:
June 30, 2020

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:

\$25,000,000
Amount of Issue
South Carolina State Housing Finance and
Development Authority
Name of Issuing Authority
Multifamily Housing Revenue Note
Type of Bonds or Notes
on or around August 30, 2020
Projected Issue Date

Project Name: Waters at West Ashley

Project Description: See Attachment A

Employment as a result of the project: N/A

Ceiling Allocation Required
X Yes (\$25,000,000) No
Amount

Refunding Involved
Yes (\$) No
Amount

Project Approved Previously
Yes (\$) 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. X State Fiscal Accountability Authority Resolution and Public Notice (original)

Plus 1 copies for certification and return to bond counsel

F. X Draft bond counsel opinion letter

G. N/A Processing Fee

Amount: \$ Check No:
Payor:

Bond Counsel: Parker Poe Adams & Bernstein LLP
Typed Name of Bond Counsel

By: [Signature]

ATTACHMENT A TO TRANSMITTAL FORM

The South Carolina State Housing and Finance and Development Authority (“Housing Authority”), has proposed to issue its Multifamily Housing Revenue Note (Waters at West Ashley) Series 2020, in the aggregate principal amount of not exceeding \$25,000,000 for the purpose of funding a mortgage loan to Waters at West Ashley, LP, a South Carolina limited partnership (the “Sponsor”), to provide a portion of the financing needed for the acquisition and rehabilitation of a 100-unit multifamily affordable housing development located in the City of Charleston, Charleston County, South Carolina, to be known as Waters at West Ashley (the “Project”). The Project consists of garden-style apartment buildings with studio, one bedroom, two bedroom, three bedroom, and four bedroom dwelling units. The Project will provide housing for families earning 60% or less of the area median income.

The Sponsor has represented to the Housing Authority that it will spend approximately \$50,000 per unit in hard costs to upgrade and improve the interior and exterior of the Project. Interior upgrades will include upgraded plumbing and HVAC systems, improvements to or replacement of the flooring, fixtures, appliances, cabinets and blinds. Exterior improvements will include new gated access and video monitoring system, construction of a new community center, and improvements to other shared amenities (laundry center and playground). The intent of the rehabilitation is to restore the Project, first constructed in 1968, 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 Charleston.

The Project is subject to a project-based Section 8 Housing Assistance Payment (HAP) Contract with the U.S. Department of Housing and Urban Development, which covers 100% of the units and provides rental assistance payments to residents residing at the Project.

The Sponsor does not anticipate that the rehabilitation will take longer than 12 months. To the extent that residents of the Project will need to be temporarily relocated due to the rehabilitation of the Project, the Sponsor has set aside resources and engaged a company that specializes in providing assistance to residents impacted by renovation of rental housing. There is no anticipated permanent relocation of the families currently living at the Project.

Additionally, the Sponsor plans to implement programs, mainly targeted to children living at the Project, to support the families living at the Project. These programs include summer and after-school programs which will provide tutoring, computer labs and ESL classes. The Sponsor will also provide scholarship opportunities to those children living at the Project as well as discounted rent opportunities to families with children who achieve perfect attendance or honor roll status.

A RESOLUTION

MAKING PRELIMINARY PROVISION FOR THE ISSUANCE OF NOT EXCEEDING \$25,000,000 AGGREGATE PRINCIPAL AMOUNT OF A MULTIFAMILY HOUSING REVENUE NOTE (WATERS AT WEST ASHLEY) SERIES 2020 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, Waters at West Ashley, 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 a note to be known as Multifamily Housing Revenue Note (Waters at West Ashley) Series 2020, in the aggregate principal amount of not exceeding \$25,000,000 for the purpose of making a loan (the "*Mortgage Loan*") to the Sponsor for the acquisition, rehabilitation and equipping of a 100-unit apartment development located in the City of Charleston, Charleston County, South Carolina, to be known as Waters at West Ashley (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 a note to be designated as "South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Note (Waters at West Ashley) Series 2020" (with any appropriate series or subseries designations) in the aggregate principal amount of not exceeding \$25,000,000 (the "Note").

Any obligation of the Authority 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) 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 Note be approved by the State Board; and (b) the right of the Authority in its sole discretion, to rescind this Resolution and elect not to issue such Note 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 Note. 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 Note; Purchase Contract. The Chairman and the Executive Director of the Authority are hereby authorized to sell the Note to a purchaser to be designated by the Executive Director (the "**Purchaser**") pursuant to the terms and conditions of a purchase contract or funding agreement the terms of 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 Note does not exceed the limitations or contravene the conditions as described in the Act and (i) the Note is 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 Note is to be purchased directly for investment. The purchase price of the Note 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 Note 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 Note, 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 Note.

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 Note 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 20th day of May 2020, 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 2020.

**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)
_____)

WATERS AT WEST ASHLEY
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. Waters at West Ashley, LP (the “*Sponsor*”), has applied to and requested the Authority to assist the Sponsor by issuing a note, anticipated to be designated as Multifamily Housing Revenue Note (Waters at West Ashley) Series 2020 (“*Note*”), in the aggregate principal amount of not exceeding \$25,000,000 for the acquisition, rehabilitation and equipping of a 100-unit multifamily development located in the City of Charleston, Charleston County, South Carolina, to be known as Waters at West Ashley (the “*Project*”).

3. The Authority has preliminarily approved the issuance of the Note pursuant to a resolution adopted May 20, 2020, 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 Note.

4. The Authority will adopt a final resolution (the “*Resolution*”) authorizing the issuance and sale of the Note and establishing the definitive terms thereof, including those revenues and assets to be pledged to the payment of the Note. 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 Note 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 Note shall be finally determined prior to the date the Note

is 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 Note and to grant on behalf of the SFAA final approval for the issuance of the Note. Prior to the issuance of the Note, 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 Note to be issued;
- (b) the maturity schedule of the Note 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 Note.

8. The Note 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.

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 Note required by the SFAA.

WHEREFORE, on the basis of the foregoing, the Authority prays preliminary approval by the SFAA of the issuance of the Note 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 Note.

Respectfully submitted,

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

Tracey C. Easton
General Counsel

May __, 2020

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH
CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT
AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE NOTE
(WATERS AT WEST ASHLEY) SERIES 2020**

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 of 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, Waters at West Ashley, LP, a South Carolina limited partnership (the “Sponsor”), has requested the Authority to assist it in an undertaking to acquire and rehabilitate a multifamily affordable housing development, consisting of 100 units, located in the City of Charleston, South Carolina (the “Project”); and

WHEREAS, in order to provide money to acquire and rehabilitate the Project, the Authority proposes to issue its revenue note to be known as South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Note (Waters at West Ashley) Series 2020 in an aggregate principal amount of not exceeding \$25,000,000 (the “Note”); and

WHEREAS, the Authority has presented to the SFAA its Petition dated as of May [], 2020 (the “Petition”), which sets forth certain information with respect to the Note.

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 Note to be designated as the South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Note (Waters at West Ashley), or such other designation as the Board of Commissioners of the Authority may determine, in the principal amount of not exceeding \$25,000,000.

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 information required to be submitted to the SFAA by the provisions of Section 31-3-220, to wit:

- (i) the principal amount of the Note to be issued;
- (ii) the maturity schedule of the Note 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 Note;

(b) The approval of the State Treasurer of the form and substance of the Note 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 Note, will be sufficient to provide for the payment of the principal and interest thereon;

(d) The documents pursuant to which the Note is being issued shall provide that all expenses, costs, and fees of the Authority in connection with the issuance of the Note, 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 \$25,000,000 Multifamily Housing Revenue Note (Waters at West Ashley) Series 2020, in one or more series (“Note”), 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 Note to fund a mortgage loan to Waters at West Ashley, LP, a South Carolina limited partnership (“Borrower”), to (i) finance the costs of acquiring, rehabilitating and equipping a 100-unit multifamily housing development to be known as Waters at West Ashley located in the City of Charleston, 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 Note.

The Note 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 Note is not an indebtedness of the State of South Carolina (“State”).

The Note 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 19, 2020. The Note 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 Charleston County.

STATE FISCAL ACCOUNTABILITY AUTHORITY
OF SOUTH CAROLINA

By: Delbert H. Singleton, Jr., Secretary

[], 2020

South Carolina State Housing Finance
and Development Authority
Columbia, South Carolina

Re:

\$25,000,000*
South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Note
(Waters at West Ashley)
Series 2020

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the South Carolina State Housing Finance and Development Authority (“*Issuer*”) of its \$25,000,000* Multifamily Housing Revenue Note (Waters at West Ashley) Series 2020 (“*Bonds*”).

The Bonds recite that they are issued under and pursuant to Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended (“*Act*”). The Bonds are being issued under a Funding Loan Agreement, dated as of [], 2020 (“*Indenture*”), between the Issuer and [], a national banking corporation, as trustee (“*Trustee*”). Capitalized terms not defined herein shall have the same meaning as set forth in the Indenture.

The Bonds are initially issued as a single certificate registered in the name of Cede & Co. in the aggregate principal amount of \$25,000,000* and are dated [], 2020. The Bonds bear interest from the date thereof payable in accordance with terms provided therein. The Bonds mature on []. The Bonds are subject to redemption upon the terms and conditions and at the prices set forth therein. The Bonds are also subject to special mandatory purchase upon the terms and conditions set forth therein.

The Bonds are being issued for the primary purpose of providing funds for the making of a mortgage loan (“*Loan*”) from the Issuer to Waters at West Ashley, LP (“*Borrower*”), pursuant to that certain Borrower Loan Agreement, dated as of [], 2020 (“*Loan Agreement*”), between the Issuer and the Borrower, for the acquisition, rehabilitation and equipping of a 100-unit multifamily affordable housing development to be known as Waters at West Ashley and located in the City of Charleston, South Carolina.

In connection with the foregoing, we have examined (i) the Constitution of the State of South Carolina, 1895, as amended, the Act and other relevant statutes of the State of South Carolina (“*State*”); (ii) certified copies of the resolution of the Board of Commissioners of the Issuer authorizing the issuance of the Bonds on August [19], 2020 (“*Resolution*”); (iii) certified copies of the proceedings of the State Fiscal Accountability Authority (“*Authority*”) relating to the Bonds, including a resolution adopted by the Authority on June [30], 2020; (iv) the Loan Agreement; (v) the Indenture; (vi) the Agreement as to Restrictive Covenants, dated [], 2020 (“*Regulatory Agreement*”), between the Issuer and the Borrower; (vii) the Tax Certificate, dated [], 2020 (“*Tax Certificate*”), among the Issuer, the Borrower and the Trustee (collectively, the Resolution, the Indenture, the Loan Agreement, the Regulatory Agreement, and the Tax Certificate, are referred to herein as the “*Bond Documents*”); and (viii) such other records and documents as we have considered necessary or appropriate in rendering the following opinions. We have also examined one fully executed Bond.

* Preliminary; Subject to change.

As to questions of fact material to the opinions hereinafter expressed, we have relied upon representations of the Issuer and the Borrower contained in the Bond Documents, the certified proceedings and other certifications of public officials and others furnished to us, including certifications furnished to us by or on behalf of the Issuer and the Borrower, without undertaking to verify the same by independent investigation. We have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, and documents and proceedings.

In giving the opinions hereinafter expressed, 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, and such opinions are limited to the federal laws of the United States of America and the laws of the State.

Based upon the foregoing, it is our opinion under existing law that:

1. The Issuer is a duly created and validly existing public body corporate and politic and an agency of the State with full power and authority to issue the Bonds, to make the Loan with the proceeds of the Bonds, and to perform all of its obligations under the Bond Documents.
2. The Issuer has the right, power and authority under the Act to adopt the Resolution and execute the Bond Documents and each has been duly and lawfully authorized, executed and delivered by the Issuer, and is valid and binding upon the Issuer and enforceable in accordance with its terms.
3. The Indenture creates a valid pledge of the Trust Estate for payment of the Bonds pursuant to the terms of the Indenture.
4. The Bonds have been duly authorized, executed and delivered and constitute legal valid and binding special obligations of the Issuer enforceable in accordance with their terms and the terms of the Indenture. The Bonds are secured in the manner and the extent prescribed by the Indenture.
5. The Bonds are not a debt or grant or loan of credit of the State or any political subdivision thereof and neither the State nor any political subdivision thereof is liable thereon, nor shall the Bonds be payable out of any funds other than those of the Issuer pledged therefor under the Indenture.
6. Interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is 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 ("*Code*"). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer and the Borrower 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 income tax purposes. The Issuer and the Borrower have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

7. The Bonds and the interest thereon are presently exempt from all State, county, municipal, school district, and all other taxes or assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except for inheritance, estate and transfer taxes, but the interest on the Bonds may be includable for certain franchise fees or taxes.

8. The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is not required to be qualified under the Trust Indenture Act of 1939, as amended.

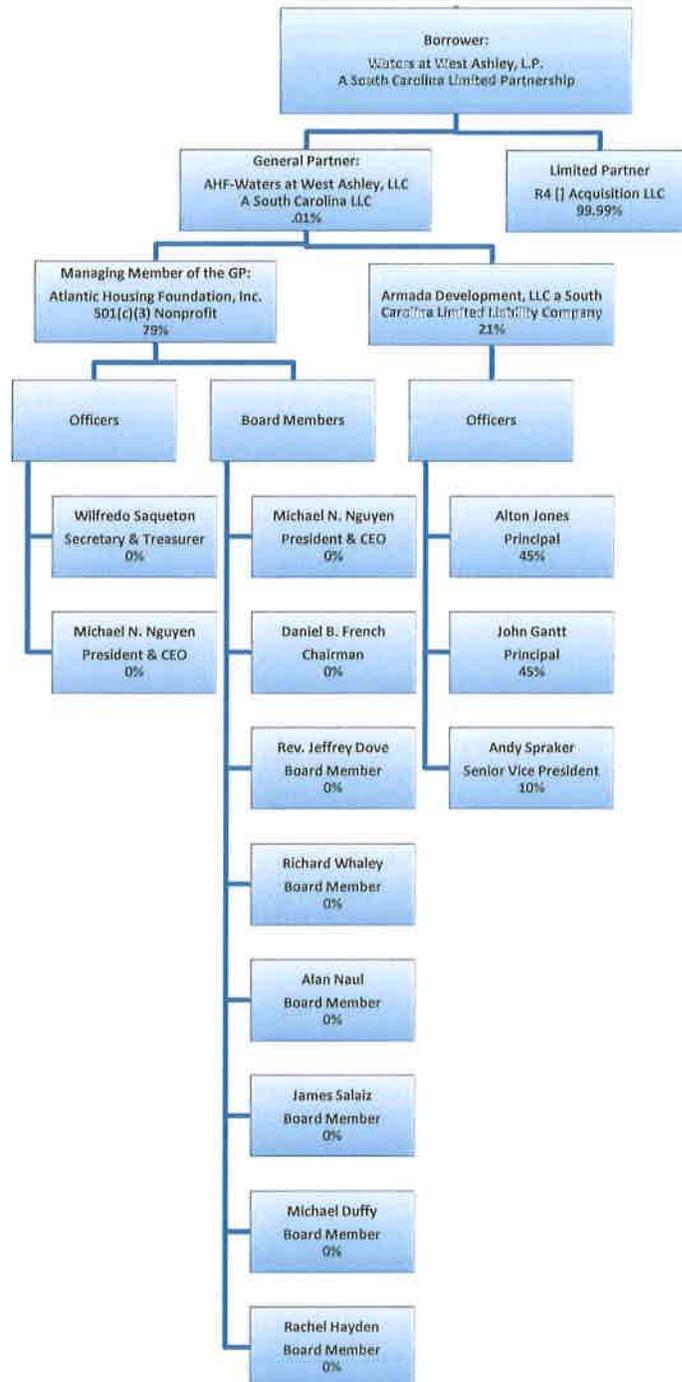
It is understood that the enforceability of the Indenture and the Bonds may be subject to judicial discretion, the exercise of the sovereign police powers of the State or the constitutional powers of the United States of America and valid bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights generally.

Except as set forth above, we express no opinion in connection with the issuance and sale of the Bonds. The opinions expressed above are rendered solely for the benefit of the addressees hereof in connection with the issuance of the Bonds. These opinions 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 opinions expressed above for events occurring or coming to our attention after the date of this letter.

Very truly yours,

PARKER POE ADAMS & BERNSTEIN LLP

Waters at West Ashley Organizational Chart



Board of Directors and Officers of Atlantic Housing Foundation, Inc.

Richard Whaley. *Founding Member.* Mr. Whaley is a founding trustee of the Sole Member and has more than 40 years' experience developing or acquiring real estate throughout most regions of the United States. He has been or is currently involved in a number of professional and civic associations, including Founding Trustee, Dalhberg Center; Founding Member, Ohio State Advocates; Former Director, Affordable Housing Tax Credit Coalition and Former Board Director National Housing and Rehabilitation Association, Board of Trustee - Nightingale Home Care Inc., member of NAIOP - National Association of Industrial and Office Properties Central Florida Chapter, member of FIABCI - The International Real Estate Federation.

Daniel B. French. *Founding Member.* Mr. French is the founder of the Sole Member and served as its President and Chief Executive Officer until 2008. He continues to serve as Chairman of its Board of Trustees and remains involved with Finance and Acquisition activities for the Sole Member and its affiliates. Mr. French has been involved in the affordable housing field since 1990 when he was made head of the Affordable Housing Department of the San Antonio office of the Resolution Trust Corporation. He also served the San Antonio Housing Authority as Director of Development. He has also served as Housing Commissioner of the Town of Hilton Head Island, SC and Chairman of the greater Hilton Head Community Development Corp. Mr. French has 40 years of experience in the areas of development, finance, operation, appraisal and brokerage of real estate. He holds an MBA from the University of Texas, San Antonio.

Michael N. Nguyen. *President.* Mr. Nguyen became the President and Chief Executive Officer of the Sole Member in April, 2008. Mr. Nguyen has over 14 years of experience as an executive in multifamily acquisition, development, rehabilitation, disposition and asset management. Prior to joining the Sole Member, Mr. Nguyen founded Cima Advisors, a real estate structured finance and asset management firm. Previously, he was a partner at the Utley Group, a private equity firm with a key focus on multifamily acquisition and development. Before the real estate business, Mr. Nguyen was an investment banker specializing in mergers and acquisitions, corporate restructuring, debt and equity placements. He was also a Principal with First Southwest Company in its corporate finance department and a Financial Analyst at Banque Paribas and Prudential-Bache in New York. Mr. Nguyen holds a Bachelor of Business Administration Degree and MBA from the University of Texas.

Rev. Jeffrey Dove. *Community Member.* Rev. Dove is a graduate of Edward Waters College with a Bachelor of Business Administration and a Masters of Divinity from the Interdenominational Theology Center. He currently serves as senior Pastor of Saint Paul AME Church, Ocala Florida.. Under his leadership, one of the critical concerns of the 11th district is to address how the AME Church can help return citizens (formerly incarcerated) in their transition back into society. He was recently named as a recipient of a grant from Duke University Divinity to explore best practices for formerly incarcerated individuals returning from prison or jail. Rev Dove also created save our daughters and sons (S.O.D.A.S) summer youth program, that allows underprivileged youth the opportunity to gain valuable jobs skills and learn the importance of volunteerism. In addition, he has served on the Economic Development Board for the City of New Smyrna Beach, Florida and as Chaplain of the Black Heritage Museum.

James Salaiz. *Community Member.* James Salaiz is a US Army Veteran and a Licensed Texas Real Estate Broker since 1975. He went to St. Mary's University in San Antonio, TX, where he received his master's degree in economics. He was a member of the Bexar County Housing Authority for 12 years and served as Chair for 3 years. Since 2007, he's been an active volunteer in supporting Wounded Warriors by organizing events over a broad range of activities and arranging for rent-free apartments for the Wounded Warriors during their convalescence.

Rachel Hayden. *Community Member.* Ms. Hayden joined the board of trustees of the Sole Member in 2019. She is a licensed professional engineer and Vice President/Regional Growth Leader of GEI Consultants, a national civil engineering consulting firm. In 2018 GEI acquired Hayden Consultants, Inc., the firm Rachel founded in March of 2000. Today the company employs over 40 employees, with a focus

on transportation, water resources, transit and construction services. Ms. Hayden has served in leadership and board positions for numerous professional organizations, including state Chair of the American Council of Engineering Companies (ACEC) Texas, President of the ASCE Dallas Branch and President of ACEC Dallas Chapter. She currently serves on the Texas A&M University Civil Engineering Advisory Council.

Michael Duffy. *Community Member.* Mr. Duffy joined the board of trustees in 2019. He brings experience from a 37-year career in commercial real estate investment and development, the last 18 with Trammell Crow Company, the nation's largest commercial developer, where he serves as Chief Operating Officer. Previously, Mr. Duffy previously worked with Principal Real Estate Investors, The Balcor Company, and Urban Investment and Development Company. He is a current partner and past board member of Social Venture Partners – Dallas and also serves on the board of directors of St. Mary's of Carmel School. Mr. Duffy holds a BBA from the University of Notre Dame and an MM from Northwestern University's Kellogg Graduate School of Management.

Alan Naul. *Community Member.* Mr. Naul joined as a member of the board of trustees in 2019. Mr. Naul is the founder and President of the Javelin Group in Dallas, Texas, and has the primary responsibility for its strategic direction. Javelin develops and invests in cutting edge housing and healthcare real estate to serve the burgeoning senior population. Prior to Javelin, Mr. Naul worked as a Managing Director for the Hampstead Group, where he was active in all aspects of the firm's real estate and corporate investments. He serves as board member of an East Texas Municipal District and is a proud graduate of the Cox School of Business at Southern Methodist University.

Wilfredo Saqueton. *Secretary & Treasurer.* Mr. Saqueton has over 25 years of corporate financial management and public accounting experience, most recently in multi-unit services as the Chief Financial Officer of BRHACO, LLC dba Driver's Edge, a full service automotive repair and maintenance company. Prior to BRHACO, he served as CFO of companies with multi-unit operations including Just Brakes with approximately 160 retail locations and SWS Environmental Services with approximately 25 service centers. Mr. Saqueton also served as CFO of TransAtlantic Petroleum, Ltd., a publicly traded oil and gas exploration and production company. Prior to his CFO roles, Wil worked at Intel Corporation for 11 years in various operational finance roles ending as the strategic controller of the Chipset Division generating \$4 billion of annual revenue. Wil began his career at Price Waterhouse in San Jose, California. He earned his certified public accountant license in California and holds a B.A. in Accounting from Santa Clara University and an MBA from the University of California, Davis.

Members of Armada Development, LLC

Alton Jones. *Principal.* Mr. Jones has spent his entire career in the development and management business, including resort development and marketing, infrastructure installations, property owner associations, student housing development and affordable housing management and development. He is currently the President of Armada Development. Mr. Jones previously served as the Sr. VP of the Ginn Companies Southern and Bahamian regions. He was former President of Hilton Head Company Realty & Property Management and former President of Lake Las Vegas & Grand Bahama Port Authority Real Estate. Al Jones graduated from The Citadel, was on the Board of Trustees for the College of Charleston for 11 years, the Board of Trustees for the College of Charleston Foundation for over 5 years, and the Board of Trustees for Francis Marion University and Lander University for 4 years.

John Gantt. *Principal and Managing Member.* Mr. Gantt has vast experience with all aspects of real estate development from sales to operations, including working closely with architects, real estate attorneys and bankers and handling closings and HUD filings. Mr. Gantt was the former Executive Vice-President and Director of Sales and Marketing from 1998-2008 for The Ginn Company and managed over 300 employees/sales executives throughout North Carolina to all points of Florida and the Bahamas. Mr. Gantt has closed over 6.5 billion in real estate sales and set a nationwide record leading a sales team to over \$170 million in real estate sales in one day. Prior to this time, John was The Senior Vice-President and Director of Sales for Lowes Corporation, one of the largest holding companies in the United States, in which he led development and sales of luxury resort golf communities and managed the local office for the L.A.-based corporation. Mr. Gantt began his real estate career in 1984 at Wild Dunes Real Estate where he was the top producer for 5 years and later become the Broker-in-Charge, managing the real estate sales for Wild Dunes Real Estate.

Andy Spraker – Mr. Spraker has been a professional in project & asset management for resort, single & multi-family and commercial real estate development industries for more than 20 years. He has served in roles overseeing corporate & project financial modeling and management as well as engineering, permitting and construction oversight. Mr. Spraker has experience in coordinating project capital from sourcing to closing and underwriting compliance for state & local development & finance authorities, construction lenders and equity partners. Mr. Spraker previously served as Senior Project Manager for Ginn Development Company in Orlando, FL where he managed the in-house construction company. At Ginn, Mr. Spraker managed the construction of more than \$400 million in golf course, infrastructure and amenity construction for 7 high-end resort communities all over the Southeastern United States and the Bahamas. He has managed over \$1 Billion in construction projects both as a contractor and developer spanning more than 30 golf course communities and countless road & infrastructure projects. Mr. Spraker holds a degree in Business Management and holds a South Carolina General Contractors' License in Site-work and Utilities.

Selected Accounts Variation Report

Run Date / Time 04/01/2020, 14:22:30

Bus Area: L320 Fund: 6001900000..600 Grant: *
 Cost Ctr: * Funded Program: *
 Account Group Selected: SC TRIAL_BALANCE_DETAIL

Period: 9, 2020

GL Account	YTD Beg Bal	MTD Activity	YTD End Bal
1000000000 CASH DUE TO/FROM	1,600.18-		1,600.18-
1000030000 CASH ON DEPOSIT-STO			
1000070120 REVENU ACCT-SERV PRG			
1000070200 PROGRAM FUND-LN PRG	480,243,142.58		480,243,142.58
1000070201 ESCROW FUND-LOAN PRG			
1000070202 COST OF ISS FD-LN PG	1,219,742.03	317,286.94-	902,455.09
1000070203 REVENUE FUND-LN PRG	441,593,795.28-	1,846,652.02-	443,440,447.30-
1000070204 REDEMPTION FD-LN PRG			
1000070205 BOND RES FUND-LN PRG	1,992,012.29		1,992,012.29
1000070206 REVENUE RES FD-LN PG			
1000070207 RESTRICTED FD-LN PRG			
1000070208 ARB REB LIB FD-LN PG			
** Cash Accounts	41,859,501.44	2,163,938.96-	39,695,562.48
1200013000 Investments - Debt - Domestic			
1200040000 Investments - Accumulated Discount-Curr			
1200050000 Investments Mark to Market- Curr			
** Investments Current			
1204013000 INVESTMENTS - DEBT - DOMESTIC	90,211,890.53		90,211,890.53
** Investments Non-Current	90,211,890.53		90,211,890.53
1300200000 ACCRUED INTEREST RECEIVABLE NON INVESTMENT		32,310.80-	32,310.80-
1300210000 ACCRUED INTEREST RECEIV ON INVESTMENTS	359,600.14	362,188.85-	2,588.71-
1310000000 LOANS AND NOTES RECEIVABLE - CURRENT	616,339,219.72	3,920,619.26-	612,418,600.46
1310000001 LOANS AND NOTES RECEIVABLE - NONCURRENT			
1311000000 ALLOW FOR UNCOLLECT LOAN/NOTE REC - CURR	77,248.99-		77,248.99-
1312000000 LOANS PENDING - SINGLE FAMILY	75,376,815.40	7,545,057.95	82,921,873.35
1313000000 FORECLOSED REAL ESTATE HELD FOR RESALE			
1390010000 INTERFUND RECEIVABLES			
** Accounts Receivable	691,998,386.27	3,229,939.04	695,228,325.31
1600120000 PREPAID BOND INSURANCE			
** Prepaid Expenditures - Current			
1610010000 UNAMORTIZED DISCOUNTS ON BONDS-CURR		30,806.94-	
1610020000 UNAMORTIZED DEF EARLY EXT OF DEBT-CURR	2,798,561.49-		2,829,368.43-
1620020000 DEFERRED BOND FINANCING COSTS-NONCUR			
** Other Long Term Assets	2,798,561.49-	30,806.94-	2,829,368.43-
*** Total Assets	821,271,216.75	1,035,193.14	822,306,409.89
**** Total Assets	821,271,216.75	1,035,193.14	822,306,409.89
2010033000 ACCOUNTS PAYABLE - LOAN SERVICING INST		2,813.10	2,813.10

**	Accounts Payable		2,813.10	2,813.10
	2090010000 INTERFUND PAYABLES	42,000.00-	42,000.00	
	2200201000 LIAB PAY FROM REST ASSET - INT PAY ON BD	3,415,218.54-	3,415,218.56	0.02
	2200400000 LIAB PAY FM REST ASSET - BONDS PAY-CURR	513,325,000.00-		513,325,000.00-
	2200400001 LIAB RST - BD PY- LT			
	2200600000 PREPAID MORTGAGE INTEREST			
	2400130000 OTHER CURRENT LIABILITIES			
	2406061000 UNAMORTIZED PREMIUM ON BONDS	18,994,543.47-	267,302.12-	19,261,845.59-
**	Other Liabilities	535,776,762.01-	3,189,916.44	532,586,845.57-
***	Total Liabilities	535,776,762.01-	3,192,729.54	532,584,032.47-
	3000010000 RET EARN & FD BAL UN	288,158,935.43-		288,158,935.43-
**	Fund Balance Accounts	288,158,935.43-		288,158,935.43-
	4310010000 FEES AND RECEIPTS-OTHER	18,711.33-		18,711.33-
	4600030000 BOND PREMIUM/DISCOUNT AMORIZATION	941,834.05-	267,302.12	674,531.93-
	4650090000 LOAN INTEREST RECEIVED	11,895,172.59-	2,355,934.97-	14,251,107.56-
	4660010000 INVESTMENT EARNINGS	2,887,960.65-	312,525.17	2,575,435.48-
**	Revenue	15,743,678.62-	1,776,107.68-	17,519,786.30-
	5080110010 INTEREST PAYMENTS ON REVENUE BONDS	11,196,177.57	3,415,218.56-	7,780,959.01
*	Debt Service Payments	11,196,177.57	3,415,218.56-	7,780,959.01
	5170700000 ALLOC ST AGENCIES	3,651,000.00		3,651,000.00
*	Allocations	3,651,000.00		3,651,000.00
	5830001001 TRUSTEE FEES	86,110.02		86,110.02
	5830003000 REIMBURSABLE FORECLOSURE EXP	57,139.53	2,813.10-	54,326.43
	5830003001 GAIN/LOSS ON FORECLOSURE PRINC	1,419,134.28	346,934.14	1,766,068.42
	5830003002 GAIN/LOSS ON FORECLOSURE INTEREST	79,835.45	29,051.52	108,886.97
	5830004001 LOAN SRVC EXP ACCR NO FM	144,828.78	143,703.19	288,531.97
	5830005000 BOND ISSUANCE EXPENSE	9,566.45-	317,286.94	307,720.49
	5830005020 OTHER BOND PROGRAM EXPENSES	26,097.02		26,097.02
	5830006000 DEFERED LOSS ERLY EXTINGUISHMENT OF DEBT	126,226.36-	30,806.94	95,419.42-
*	Loan Programs	1,677,352.27	864,969.63	2,542,321.90
**	Expenditure Detail by Group	16,524,529.84	2,550,248.93-	13,974,280.91
	6300040110 TRANSFER IN/OUT SF INDENTURE	26,194.90-		26,194.90-
	6300040120 TRANSFER IN/OUT MRB INDENTURE	1,056,010.89	98,433.93	1,154,444.82
	6300040130 TRANSFER IN/OUT HRB INDENTURE	853,813.48		853,813.48
**	Transfers	1,883,629.47	98,433.93	1,982,063.40
***	Total Fund Balance Detail	285,494,454.74-	4,227,922.68-	289,722,377.42-
****	Total Liabilities and Fund Balance Det	821,271,216.75-	1,035,193.14-	822,306,409.89-
*****	Total			

SCSHFDA
 MULTI-FAMILY HOUSING TAX-EXEMPT BONDS
 (The Waters at West Ashley)

4% LIHTC

PRO FORMA NOI

	Operating Pro Forma	Basis	CONSTRUCTION PERIOD		
			Year 1	Year 2	Year 3
INCOME					
Gross Potential Rental Income	1,498,140.00	2.00%	\$878,416.00	1,498,140.00	\$1,528,102.80
Total Other Income	3,600.00		908.80	3,600.00	3,672.00
Total Potential Income	1,501,740.00		\$879,324.80	1,501,740.00	\$1,531,774.80
Less: Vacancy	(75,087.00)	-5.00%	(175,864.96)	(75,087.00)	(76,588.74)
Effective Gross Income	1,426,653.00		\$703,459.84	1,426,653.00	\$1,455,186.06
EXPENSES					
Administration	\$36,000.00	3.00%	\$29,241.23	\$36,000.00	\$37,080.00
Management Fee	71,333.00		57,940.69	71,333.00	58,207.44
Advertising & Promotions	5,000.00		4,061.28	5,000.00	5,150.00
Repairs & Maintenance	83,400.00		67,742.19	83,400.00	85,902.00
Real Estate Taxes	-		-	-	-
Personnel	191,849.00		155,830.58	191,849.00	197,604.47
Security Monitoring	25,000.00		20,306.41	25,000.00	25,750.00
Insurance	56,000.00		45,486.36	56,000.00	57,680.00
Utilities	158,380.00		128,645.17	158,380.00	163,131.40
Reserve	30,000.00		24,367.69	30,000.00	30,900.00
Total Expenses	\$656,962.00		\$533,621.60	\$656,962.00	\$661,405.31
Net Operating Income Available for Debt Service	\$769,691.00		\$169,838.24	\$769,691.00	\$793,780.75

Senior Debt

Loan Amount:	\$ 17,225,000.00	Principal:	\$ -	\$ 75,929.00	\$ 142,348.00
Construction Period Interest Rate (fixed):	3.92%	Interest:	435,694.00	571,245.00	504,826.00
Permanent Interest Rate:	3.92%	Capitalized Interest:	(435,694.00)	-	-
Amortization:	40 Years	Total Net Payment:	\$ -	\$ 647,174.00	\$ 647,174.00
		DSCR:	N/A	1.19	1.23

Net Cash Flow \$ 169,838.24 \$ 122,517.00 \$ 146,606.75



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 06/30/20

Final Version Date:

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: South Carolina State Housing Finance & Development Authority Series: 2020
 Borrower (if not Issuer): Waters at West Ashley, LP
 Bond Caption: Multifamily Housing Revenue Note (Waters at West Ashley)
 Bond Resolution Amount: \$25,000,000.00 Est. Production/Par Amt: \$13,225,000.00

(* Used to calculate initial COI percentages, SFO bond issues must use Par Amt *)

Final Production/Par Amt: \$0.00

Submitted By:

ENTITY: Waters at West Ashley, LP
 BY: Parker Poe Adams & Bernstein LLP
 ITS: Bond Counsel
 Tel: 803.255.8000
 Email: emilvutber@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: N/A

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Waters at West Ashley (currently known as Orleans Gardens Apartments)
 Project Address/Location: 1900 Hazelwood Dr., Charleston, SC 29407 Amount: \$13,225,000.00
 Project Type: Multifamily Housing Facility County: Beaufort
 Projected Avg Interest Rate: 3.84% Final Maturity: 12/1/2060 (est.)

3. FINANCING (REFUNDED PORTION)

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

4. FINANCING WORKING GROUP

Financial Advisor: N/A Disclosure Counsel: N/A
 Bond Counsel: Parker Poe Adams & Bernstein LLP Issuer's Counsel: Tracey Easton
 Underwriter: R4 Capital Funding, LLC Trustee: Wilmington Trust, National Association
 Paying Agent: N/A Other: KutakRock (Lender's Counsel)

5. FINANCING/PROJECT DESCRIPTION

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

The purpose of the financing is to provide funding for the acquisition and substantial rehabilitation of a 100-unit multifamily housing development in Charleston County, South Carolina. The basis for the information presented in the worksheet is from the application provided by the Borrower to the South Carolina State Housing Finance and Development Authority (which included a market study, project needs assessment report and an appraisal) and a term sheet from R4 Capital Funding, LLC, the purchaser of the Bonds, and R4 Capital, the tax credit equity provider.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Issuer/Borrower Approval: <u>05/20/20</u>	<u>SC Housing</u>
JBRC Approval: <u>00/00/00</u>	
SFAA Approval: <u>06/30/20</u>	<u>SFAA</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 - Entire Project
Cost Estimate - \$0

C.

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	FY	Spend Down Schedule Notes
\$ 8,627,120.00	8/30/2020	Acquisition of Land; Commence Site Work and Rehabilitation
\$ 4,597,880.00	8/30/2021	Rehabilitation Complete
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 13,225,000.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 13,225,000.00	\$ 8,060,229.00	Project Fund
(b) Premium/Accr. Int.	\$	\$ 548,826.00	Capitalized Interest Fund
(2) Issuer/Borrower Contr.-LIHTC	\$ 5,976,231.00	\$ 328,877.00	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	\$	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 527,688.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)	\$	\$ 1,794,785.00	Developer Fee
Type - Def. Dev./GP Equity	\$ 894,852.00	\$ 12,103,417.00	Land Purchase Costs/Site Work
Residual Project Sources		\$ 328,481.00	Operating Reserve
(6) Other		\$ 303,780.00	Other Fees
(a) GF - Seller Note	\$ 3,400,000.00		Other
(a) FF - Charleston Grant	\$ 500,000.00		Other
(c) OF -	\$		Other
Total Project Sources	\$ 23,996,083.00	\$ 23,996,083.00	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)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor					\$	\$
Bond Counsel	Parker Poe	N/A	N/A	\$ 65,000.00	\$	\$ 65,000.00
Disclosure Counsel					\$	\$
Issuer's Counsel	Tracey Easton (GC)				\$	\$
Underwriter's Counsel	KutakRock			\$ 60,000.00	\$	\$ 60,000.00
Underwriter Expenses		N/A	N/A	\$ 27,500.00	\$	\$ 27,500.00
Trustee's Counsel	Naman Howell	N/A	N/A	\$ 7,500.00	\$	\$ 7,500.00
LIHTC Fees				\$ 55,000.00	\$	\$ 55,000.00
Rating Agency - S&P	n/a				\$	\$
Rating Agency - Moody's	n/a				\$	\$
Rating Agency - Fitch	n/a				\$	\$
Underwriter's Compensation	Orig./Comp./Cost	N/A	N/A	\$ 198,375.00		\$ 198,375.00
Trustee Fees	Wilmington Trust	N/A	N/A	\$ 7,500.00	\$	\$ 7,500.00
Escrow Agent	n/a				\$	\$
Accountant	n/a				\$	\$
Verification Agent	n/a				\$	\$
Printing	n/a				\$	\$
Publishing	n/a				\$	\$
Advertising	n/a				\$	\$
Contingency				\$ 98,713.00	\$	\$ 98,713.00
Issuer's Fee	SC JEDA / SC SHFDA		N/A	\$ 8,100.00	\$	\$ 8,100.00
				\$ 527,688.00	\$	\$ 527,688.00

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!
0.49%	#DIV/0!
1.63%	#DIV/0!
0.00%	#DIV/0!

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

1.50%	#DIV/0!
0.86%	#DIV/0!
3.99%	#DIV/0!

Rion Foley
rfoley@burr.com
Direct Dial: (843) 973-6827
Direct Fax: (843) 805-6569

Burr & Forman LLP
100 Calhoun Street
Suite 400
Charleston, SC 29401

Mailing Address
Post Office Box 1431
Charleston, SC 29402

Office (843) 723-7831

Fax (843) 722-3227

BURR.COM

May 20, 2020

Via FedEx and Email

Mr. Delbert H. Singleton, Jr.
Secretary
State Fiscal Accountability Authority
601 Wade Hampton Office Building
Columbia, SC 29201

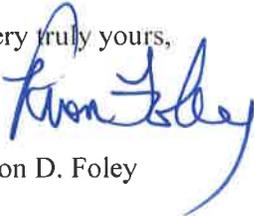
Re: Proposed Not Exceeding \$150,000,000 South Carolina State Housing Finance and Development Authority Mortgage Revenue Bonds, Series 2020B

Dear Delbert:

Enclosed is a Transmittal Form, Revenue Bonds, for a proposed issue of one or more series of bonds by the South Carolina State Housing Finance and Development Authority ("SCSHFDA"), together with a New Debt Information Form (prepared by Stifel Nicolaus and Company, Inc., Financial Advisor to the Authority) and other required documentation. The SCSHFDA board meeting to approve these materials is scheduled for June 17, 2019 (after the SFAA submission deadline). We will send you original signature pages as soon thereafter as possible.

Please let us know if you have questions or need additional documentation.

Very truly yours,



Rion D. Foley

RDF/mpc
Enclosure

cc: Kevin Kibler
Robert MacDonald, III
Tracey Easton, Esq.
William Youngblood, Esq.

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 21, 2020

Submitted for SFAA Meeting on:

June 30, 2020

FROM:

RE:

Burr Forman McNair LLP
Name of Law Firm

Not Exceeding \$150,000,000
Amount of Issue

P.O. Box 1431
Street Address/Box Number

SC State Housing Finance and Dev. Authority
Name of Issuing Authority

Charleston, SC 29402
City, State, Zip Code

Mortgage Revenue Bonds
Type of Bonds or Notes

(843) 723-7831
Area Code/Telephone Number

September/October 2020
Projected Issue Date

Project Name: Mortgage Revenue Bonds, Series 2020B

Project Description: Mortgage Revenue Bonds, Series 2020B

Employment as a result of the project: N/A

Ceiling Allocation Required Refunding Involved Project Approved Previously
Yes (\$) X No Yes (\$) X No Yes (\$) X No
Amount Amount Amount
NOT EXCEEDING

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. X Resolution or Ordinance
C. X Inducement Resolution or comparable preliminary approval
D. N/A Department of Health and Environmental Control Certificate if required
E. X State Fiscal Accountability Authority Resolution and Public Notice (original)
Plus 6 copies for certification and return to bond counsel
F. X Draft bond counsel opinion letter
G. N/A Processing Fee
Amount: \$
Payor:
Check No:

Bond Counsel: Rion D. Foley
Typed Name of Bond Counsel

By: [Signature]
Signature

STATE OF SOUTH CAROLINA
COUNTY OF LEXINGTON

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

PETITION

This Petition of the South Carolina State Housing Finance and Development Authority (the "Authority") respectfully shows:

1. The Authority is empowered by the provisions of Title 31, Chapter 13, Code of Laws of South Carolina 1976, as amended (the "Act") upon the approval of the State Fiscal Accountability Authority of South Carolina (the "SFAA"), to issue bonds, the principal proceeds of which are to be applied to providing sanitary and safe residential housing for persons and families of low and moderate to low income at prices which such persons can afford and/or to refund any such bonds of the Authority.

2. The Authority has determined that there exists both a demand, and a need for money to provide mortgage loans directly (or indirectly through mortgage backed securities) to members of the beneficiary classes at affordable prices. In order to meet such demand, the Authority requests that it be empowered to issue and sell one or more series of long-term tax-exempt bonds and/or long-term taxable bonds in an amount not to exceed \$150,000,000 to make such mortgage loans directly (or indirectly through mortgage backed securities) and/or to refund any such bonds of the Authority. Certain taxable and refunding portions of the Series 2020B Bonds (Tax-Exempt and/or Taxable) or such other numbering convention as may be necessary will not require the use of the State Ceiling. The Series 2020B Bonds (Tax-Exempt and/or Taxable) or such other numbering convention as may be necessary are collectively referred to as the "Series 2020B Bonds".

3. The Series 2020B Bonds, other than any portion of which are taxable, if any, will be "private activity bonds" within the meaning of such term in Section 146 of the Internal Revenue Code of 1986, as amended (the "Code"), which imposes a "volume cap" on private activity bonds (other than most refunding bonds) by way of a "State Ceiling" (as such term is used in Section 146(d) of the Code) applicable to each state.

4. The Authority is an "issuing authority" as such term is used in South Carolina Code Section 1-11-500, et seq., which proclaims the plan for allocating the State Ceiling on the issuance of tax-exempt private activity bonds in South Carolina, and devolves upon the SFAA the responsibility for making allocations of the State Ceiling.

5. The Authority may utilize, to the extent required by the Code, State Ceiling carryforward previously allocated to the Authority so that the tax-exempt portion of the Series 2020B Bonds may be issued.

6. The Series 2020B Bonds will be issued pursuant to the General Resolution adopted by the Authority on September 13, 1994, a copy of which has been filed with the SFAA, and one or more Supplemental Resolutions to be adopted by the Authority.

7. It is anticipated that the Series 2020B Bonds issued in one or more series will be sold at prices and at rates which will enable the Authority to make mortgage loans directly (or indirectly through mortgage backed securities) to members of the beneficiary classes at competitive rates. If the primary purpose of the applicable series of the Series 2020B Bonds is refunding prior bonds of the Authority, the Authority may determine that refunding certain of its prior bonds will result in lower total interest costs, after taking into consideration the costs of such refunding, and is expected to provide overall better economic return to the Authority over the life of the applicable series of the Series 2020B Bonds.

8. The income to be received by the Authority from the mortgage loans purchased directly with the proceeds of the applicable series of the Series 2020B Bonds (or indirectly through mortgage backed securities) and invested reserves will produce a spread within any applicable arbitrage limits imposed by the United States Treasury but will at the same time provide a proper margin to insure the prompt payment of the principal of and interest on the applicable series of the Series 2020B Bonds as they mature and money to pay the expenses of the Authority for its program, including expenses incident to the servicing of the loans purchased with the proceeds of the applicable series of the Series 2020B Bonds.

9. This Petition constitutes the Authority's request that the SFAA approve the issuance of the Series 2020B Bonds in one or more series.

10. It is anticipated that the applicable series of the Series 2020B Bonds will be rated at least "Aa" by Moody's Investors Service, Inc.

11. The Authority requests that the SFAA delegate to the State Treasurer (i) the ability to approve the principal amount and interest rate on the applicable series of the Series 2020B Bonds, (ii) to approve the form and substance of preliminary and final official statements to be distributed in connection with the sale of the applicable series of the Series 2020B Bonds; (iii) to approve the form and substance of a supplemental resolution or supplemental resolutions setting forth the terms and conditions of the applicable series of the Series 2020B Bonds; (iv) to approve the terms and conditions of the Purchase Contract(s); and (v) upon making a determination that the funds anticipated to be available for the payment of the Authority's bonds, including the applicable series of the Series 2020B 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 Series 2020B Bonds in one or more series. Prior to the issuance and delivery of the applicable series of the Series 2020B Bonds, the Authority will submit to the SFAA all information required by §31-13-220 of the Act, to wit:

- (a) the purpose and the principal amount of the applicable series of the Series 2020B Bonds to be issued;
- (b) the maturity schedule of the applicable series of the Series 2020B Bonds to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding 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
- (e) the method to be employed in selling the applicable series of the Series 2020B Bonds.

12. The Authority stands ready to produce any further information required by the SFAA.

WHEREFORE, on the basis of the foregoing, the Authority prays:

That the SFAA approve the issuance of the Series 2020B Bonds (or such other numbering convention) in one or more series.

Respectfully submitted,

SOUTH CAROLINA STATE HOUSING
FINANCE AND DEVELOPMENT AUTHORITY

By: _____

Its: _____

_____, 2020

A RESOLUTION

MAKING PRELIMINARY PROVISION FOR THE ISSUANCE OF NOT EXCEEDING \$150,000,000 (IN ONE OR MORE SERIES) AGGREGATE PRINCIPAL AMOUNT OF SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY MORTGAGE REVENUE BONDS, SERIES 2020B (TAX-EXEMPT AND/OR TAXABLE) OR SUCH OTHER NUMBERING CONVENTION AS MAY BE NECESSARY, AND OTHER MATTERS RELATED THERETO.

WHEREAS, the South Carolina State Housing Finance and Development Authority (the “Authority”) is authorized and empowered by Title 31, Chapter 13, Code of Laws of South Carolina 1976, as amended (the “Act”) to issue bonds, the principal proceeds of which will be used to provide sanitary and safe residential housing for persons and families of low income and of moderate to low income at prices which such persons can afford and/or refund any such bonds of the Authority; and

WHEREAS, upon making a determination that a demand for money for mortgage loans is sufficient to justify the issuance of bonds and upon the approval of the State Fiscal Accountability Authority of South Carolina (the “SFAA”), the Authority may, from time to time, issue a series of its bonds for the purpose of obtaining funds with which to provide sanitary and safe residential housing for beneficiary classes at prices which such persons can afford and/or refund any such bonds of the Authority; and

WHEREAS, the Authority has formulated a plan for the issuance of tax-exempt and/or taxable South Carolina State Housing Finance and Development Authority Mortgage Revenue Bonds, Series 2020B (Tax-Exempt and/or Taxable) or such other numbering convention as may be necessary, which may include long-term tax-exempt bonds and/or long-term taxable bonds not requiring State Ceiling (the “Series 2020B Bonds”), in one or more series pursuant to the Act, such plan being conditioned upon the Authority’s underwriters’ ability to sell bonds in a principal amount of not exceeding \$150,000,000; and

WHEREAS, the Authority is an “issuing authority,” as such term is used in Act No. 117 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina 1987 establishing a plan for the allocation of the State of South Carolina’s volume limitation with respect to private activity bonds (as defined in Section 141 of the Internal Revenue Code of 1986) imposed by the Tax Reform Act of 1986; and

WHEREAS, the Authority has determined that there exists both a demand and a need for affordable mortgage money such as to justify the issuance of the Series 2020B Bonds in one or more series upon the terms and conditions stated herein; and

WHEREAS, in light of additional demand for mortgage loans, the Authority has formulated a plan for the issuance of the Series 2020B Bonds in one or more series pursuant to the Act, and upon approval by the SFAA of the issuance of such Series 2020B Bonds; and

WHEREAS, such plan is not conditioned upon the granting by the SFAA of any additional allocation of the State Ceiling established by the Tax Reform Act of 1986 (the “State Ceiling”); and

WHEREAS, the Authority proposes (i) to make provision for one or more additional series of tax-exempt bonds comprising a portion of the Series 2020B Bonds, certain of which may require the use of State Ceiling previously allocated to the Authority; (ii) to make provision for one or more additional series of tax-exempt bonds which will comprise a portion of the Series 2020B Bonds for the purpose of refunding certain bonds of the Authority; and (iii) to make provision for one or more additional series of taxable bonds which will comprise a portion of the Series 2020B Bonds for the purpose of refunding certain bonds of the Authority all in an aggregate amount not to exceed \$150,000,000; and

WHEREAS, the primary purpose of the Series 2020B Bonds in one or more series is to finance mortgage loans directly (or indirectly through mortgage backed securities) and the refunding of prior bonds of the Authority; and

WHEREAS, the Authority may make a determination that refunding certain of its prior bonds will result in lower total interest costs, after taking into consideration the costs of such refunding, and is expected to provide overall better economic return to the Authority over the life of the applicable series of the Series 2020B Bonds.

NOW, THEREFORE, BE IT RESOLVED BY 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. Sale of the Series 2020B Bonds; Execution of Purchase Contract. The Chairman (the "Chairman") of the Board of Commissioners of the Authority (the "Board of Commissioners") and the Executive Director (the "Executive Director") of the Authority and each of them are hereby authorized to sell any or all of the Series 2020B Bonds in one or more series to the Authority's underwriters (the "Underwriters") headed by Citigroup Global Markets Inc. pursuant to the terms and conditions of Purchase Contract(s) in substantially the form heretofore employed by the Authority in connection with the sale of its mortgage revenue bonds. The Authority hereby conferred may be exercised as long as the issuance and delivery of the Series 2020B Bonds in one or more series will not result in a lowering of the credit rating on the Authority's mortgage revenue bonds. The Chairman and the Executive Director shall ensure that the arrangements for the sale of the Series 2020B Bonds in one or more series comply with the Authority's general policy regarding distribution of bonds and availability to residents of the State of South Carolina and with the terms and conditions stated herein.

Section 3. Preliminary and Final Official Statement. The distribution and use of preliminary and final official statements in connection with the sale of the Series 2020B Bonds in one or more series is hereby authorized. Said preliminary and final official statements shall be in substantially the forms heretofore used in connection with the distribution of the Authority's mortgage revenue bonds with such changes, additions, deletions, or modifications as are consistent with the details of the applicable series of the Series 2020B Bonds or as are recommended by the Underwriters and accepted by disclosure counsel, bond counsel and the staff of the Authority. The Chairman and the Executive Director 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 and/or final official statements.

Section 4. Petition to the State Fiscal Accountability Authority. The Chairman, the Executive Director and/or the legal counsel to the Authority are hereby authorized and directed to prepare and present in a Petition to the SFAA (the form of such Petition in substantially final form is attached hereto as Exhibit A). Such petition shall include the information prescribed by §31-13-220 of the Act which shall include, among other things, a request that the issuance of the Series 2020B Bonds in one or more series be approved by the SFAA, the pertinent terms and provisions of the applicable series of the Series 2020B Bonds determined as provided in this Resolution, and of the outstanding bonds of the Authority.

Section 5. Resolution of State Fiscal Accountability Authority. The Authority approves the form of Resolution of the SFAA in the form attached hereto as Exhibit B.

Section 6. Series 2020B Supplemental Resolution. The Board of Commissioners in a meeting duly assembled shall be presented with a Series 2020B Supplemental Resolution for each series in

substantially the form as previous bond issues submitted to it at such time when the details of the applicable series of the Series 2020B Bonds are known.

Section 7. Declaration of Official Intent. Section 1.150-2 of the Treasury Regulations promulgated pursuant to Section 150 of the Internal Revenue Code of 1986, as amended, sets forth certain procedures relating to the treatment of “Reimbursement Bonds”. The Authority expects to issue one or more series of qualified tax-exempt mortgage revenue bonds during calendar year 2020 (“Reimbursement Bonds”) of which a portion of the proceeds will be used to reimburse the Authority for the expenditures previously paid from certain funds and accounts of the Authority for qualified mortgage loans and/or pools of mortgage backed securities (the “Reimbursement Loans”). The Authority hereby declares its official intent to reimburse all or a portion of certain expenditures with the proceeds of the Reimbursement Bonds or other borrowing. The maximum principal amount of Reimbursement Bonds expected to be issued for reimbursement of the “Revenue Reserve Fund of the South Carolina State Housing Finance and Development Authority” (the “Reimbursement Fund”) for the Reimbursement Loans is \$150,000,000 and on the date hereof the Authority “reasonably expects” to reimburse all or a portion of the expenditures from the Reimbursement Fund for the Reimbursement Loans with a portion of the Reimbursement Bonds or other borrowing. Such Reimbursement Loans will be originated or purchased on or after the date which is not more than 60 days prior to June 17, 2020. Such Reimbursement Loans are/will be credited to SCEIS Fund #60059017 SHA GRRF-095 or successor account number for such account or such other account designated by the Authority. The Authority “reasonably expects” to issue and/or convert \$150,000,000 in obligations during calendar year 2020 to fund the Authority’s mortgage revenue bond program. Written evidence of the “reimbursement allocation” for the Reimbursement Loans shall be set forth in the closing transcript for the Reimbursement Bonds or other books and records of the Authority which shall be dated the date of delivery. This declaration shall take effect immediately.

Section 8. General Authority. The Board of Commissioners and its appropriate officers, attorneys, agents, and employees are hereby authorized to do all acts and things required of them by this Resolution or consistent or desirable in connection with the requirements hereof for the full, punctual, and complete performance of all the terms, covenants, and purposes contained in the applicable series of the Series 2020B Bonds and this Resolution, and each such member of the Board of Commissioners, 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 and hereby.

Section 9. Law and Place of Enforcement of the Resolution. This Resolution shall be construed and interpreted in accordance with the laws of the State of South Carolina.

Section 10. Effective Date. This Resolution shall become effective immediately upon its adoption by the Board of Commissioners.

Section 11. Severability. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereunder.

Section 12. Repeal of Inconsistent Resolutions. All orders, resolutions, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall take effect and be in full force from and after its passage and approval.

STATE OF SOUTH CAROLINA
COUNTY OF LEXINGTON

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

PETITION

This Petition of the South Carolina State Housing Finance and Development Authority (the "Authority") respectfully shows:

1. The Authority is empowered by the provisions of Title 31, Chapter 13, Code of Laws of South Carolina 1976, as amended (the "Act") upon the approval of the State Fiscal Accountability Authority of South Carolina (the "SFAA"), to issue bonds, the principal proceeds of which are to be applied to providing sanitary and safe residential housing for persons and families of low and moderate to low income at prices which such persons can afford and/or to refund any such bonds of the Authority.

2. The Authority has determined that there exists both a demand, and a need for money to provide mortgage loans directly (or indirectly through mortgage backed securities) to members of the beneficiary classes at affordable prices. In order to meet such demand, the Authority requests that it be empowered to issue and sell one or more series of long-term tax-exempt bonds and/or long-term taxable bonds in an amount not to exceed \$150,000,000 to make such mortgage loans directly (or indirectly through mortgage backed securities) and/or to refund any such bonds of the Authority. Certain taxable and refunding portions of the Series 2020B Bonds (Tax-Exempt and/or Taxable) or such other numbering convention as may be necessary will not require the use of the State Ceiling. The Series 2020B Bonds (Tax-Exempt and/or Taxable) or such other numbering convention as may be necessary are collectively referred to as the "Series 2020B Bonds".

3. The Series 2020B Bonds, other than any portion of which are taxable, if any, will be "private activity bonds" within the meaning of such term in Section 146 of the Internal Revenue Code of 1986, as amended (the "Code"), which imposes a "volume cap" on private activity bonds (other than most refunding bonds) by way of a "State Ceiling" (as such term is used in Section 146(d) of the Code) applicable to each state.

4. The Authority is an "issuing authority" as such term is used in South Carolina Code Section 1-11-500, et seq., which proclaims the plan for allocating the State Ceiling on the issuance of tax-exempt private activity bonds in South Carolina, and devolves upon the SFAA the responsibility for making allocations of the State Ceiling.

5. The Authority may utilize, to the extent required by the Code, State Ceiling carryforward previously allocated to the Authority so that the tax-exempt portion of the Series 2020B Bonds may be issued.

6. The Series 2020B Bonds will be issued pursuant to the General Resolution adopted by the Authority on September 13, 1994, a copy of which has been filed with the SFAA, and one or more Supplemental Resolutions to be adopted by the Authority.

7. It is anticipated that the Series 2020B Bonds issued in one or more series will be sold at prices and at rates which will enable the Authority to make mortgage loans directly (or indirectly through mortgage backed securities) to members of the beneficiary classes at competitive rates. If the primary purpose of the applicable series of the Series 2020B Bonds is refunding prior bonds of the Authority, the Authority may determine that refunding certain of its prior bonds will result in lower total interest costs, after taking into consideration the costs of such refunding, and is expected to provide overall better economic return to the Authority over the life of the applicable series of the Series 2020B Bonds.

8. The income to be received by the Authority from the mortgage loans purchased directly with the proceeds of the applicable series of the Series 2020B Bonds (or indirectly through mortgage backed securities) and invested reserves will produce a spread within any applicable arbitrage limits imposed by the United States Treasury but will at the same time provide a proper margin to insure the prompt payment of the principal of and interest on the applicable series of the Series 2020B Bonds as they mature and money to pay the expenses of the Authority for its program, including expenses incident to the servicing of the loans purchased with the proceeds of the applicable series of the Series 2020B Bonds.

9. This Petition constitutes the Authority's request that the SFAA approve the issuance of the Series 2020B Bonds in one or more series.

10. It is anticipated that the applicable series of the Series 2020B Bonds will be rated at least "Aa" by Moody's Investors Service, Inc.

11. The Authority requests that the SFAA delegate to the State Treasurer (i) the ability to approve the principal amount and interest rate on the applicable series of the Series 2020B Bonds, (ii) to approve the form and substance of preliminary and final official statements to be distributed in connection with the sale of the applicable series of the Series 2020B Bonds; (iii) to approve the form and substance of a supplemental resolution or supplemental resolutions setting forth the terms and conditions of the applicable series of the Series 2020B Bonds; (iv) to approve the terms and conditions of the Purchase Contract(s); and (v) upon making a determination that the funds anticipated to be available for the payment of the Authority's bonds, including the applicable series of the Series 2020B 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 Series 2020B Bonds in one or more series. Prior to the issuance and delivery of the applicable series of the Series 2020B Bonds, the Authority will submit to the SFAA all information required by §31-13-220 of the Act, to wit:

- (a) the purpose and the principal amount of the applicable series of the Series 2020B Bonds to be issued;
- (b) the maturity schedule of the applicable series of the Series 2020B Bonds to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding 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
- (e) the method to be employed in selling the applicable series of the Series 2020B Bonds.

12. The Authority stands ready to produce any further information required by the SFAA.

WHEREFORE, on the basis of the foregoing, the Authority prays:

That the SFAA approve the issuance of the Series 2020B Bonds (or such other numbering convention) in one or more series.

Respectfully submitted,

SOUTH CAROLINA STATE HOUSING
FINANCE AND DEVELOPMENT AUTHORITY

By: _____

Its: _____

_____, 2020

THE STATE FISCAL ACCOUNTABILITY AUTHORITY OF SOUTH CAROLINA

A RESOLUTION

APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY MORTGAGE REVENUE BONDS, SERIES 2020B (TAX-EXEMPT AND/OR TAXABLE) OR SUCH OTHER NUMBERING CONVENTION AS MAY BE NECESSARY IN ONE OR MORE SERIES

WHEREAS, pursuant to Chapter 13, Title 31, Code of Laws of South Carolina, 1976, as amended, (the "Act"), upon the approval of the State Fiscal Accountability Authority of South Carolina (the "SFAA"), the South Carolina State Housing Finance and Development Authority (the "Authority") is empowered to issue bonds, the principal proceeds of which will be applied to providing sanitary and safe residential housing for persons and families of low income and moderate-to-low income at prices which such persons can afford and/or to refund any such bonds of the Authority; and

WHEREAS, the Authority heretofore on September 13, 1994, adopted a General Resolution for the issuance of South Carolina State Housing Authority Mortgage Revenue Bonds to provide money for mortgage loans to the beneficiary classes and/or to refund any such bonds of the Authority and afterwards issued multiple series of its bonds pursuant to said General Resolution (the "General Resolution"); and

WHEREAS, in light of additional demand for mortgage loans, the Authority proposes to make provision for the issuance of additional Authority Mortgage Revenue Bonds in one or more series, which may include long-term tax-exempt bonds and/or long-term taxable bonds not requiring additional State Ceiling (the "Series 2020B Bonds") or such other numbering convention as may be necessary, in an aggregate amount not to exceed \$150,000,000, with the final amount to be determined on the basis of the apparent demand for mortgage loans to be made directly (or indirectly through mortgage backed securities) with the proceeds of the applicable series of the Series 2020B Bonds and when a determination of the appropriate amount of bonds of the Authority for refunding can be made; and

WHEREAS, it is anticipated that the applicable series of the Series 2020B Bonds will be sold to underwriters (the "Underwriters") headed by Citigroup Global Markets Inc. bearing interest at competitive rates; and

WHEREAS, such sale shall be made pursuant to a purchase contract(s) between the Authority and the Underwriters (the "Purchase Contract"); and

WHEREAS, the SFAA has given due consideration to the proposed undertaking of the Authority and wishes to give approval to the issuance and sale of the Series 2020B Bonds in one or more series, subject to the conditions set forth herein.

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

Section 1. Subject to the conditions set forth herein, approval is hereby granted by the SFAA to the issuance and sale by the Authority of not exceeding \$150,000,000 South Carolina State Housing Finance and Development Authority Mortgage Revenue Bonds, Series 2020B (or such other numbering convention as may be necessary) in one or more series.

The applicable series of the Series 2020B Bonds (or such other numbering convention as may be necessary) shall be secured by the General Resolution and shall be further secured by, and subject to such terms and conditions as shall be set forth in, a supplemental resolution or resolutions which shall hereafter be adopted by the Authority.

Section 2. The approval is granted provided that the Authority shall submit to the SFAA all information required to be submitted to it pursuant to Section 31-13-220 of the Act such as the following:

- (a) the purpose and the principal amount of the applicable series of the Series 2020B Bonds (or such other numbering convention as may be necessary) to be issued;
- (b) the maturity schedule of the applicable series of the Series 2020B Bonds (or such other numbering convention as may be necessary) to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding bonds of the Authority;
- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said bonds of the Authority; and
- (e) the method to be employed in selling the applicable series of the Series 2020B Bonds (or such other numbering convention as may be necessary).

Section 3. The State Treasurer is hereby delegated the authority to approve, on behalf of the SFAA, the items set forth below in Section 4.

Section 4. The approval is granted subject to the following conditions:

- (a) The Authority shall submit to the SFAA all information required to be submitted to it pursuant to Section 31-13-220 of the Act as stated above;
- (b) The State Treasurer shall approve the principal amount of the applicable series of the Series 2020B Bonds (or such other numbering convention as may be necessary) and the rate of interest to be borne thereby upon the issuance and delivery thereof;
- (c) The State Treasurer shall approve the form and substance of preliminary and final official statements to be distributed in connection with the sale of the applicable series of the Series 2020B Bonds (or such other numbering convention as may be necessary);
- (d) The State Treasurer shall approve the form and substance of a supplemental resolution or supplemental resolutions setting forth the terms and conditions of the applicable series of the Series 2020B Bonds (or such other numbering convention as may be necessary);
- (e) The State Treasurer shall approve the terms and conditions of the Purchase Contract(s); and
- (f) The State Treasurer shall approve the issuance of the Series 2020B Bonds (or such other numbering convention as may be necessary) on behalf of the SFAA upon making a determination that the funds anticipated to be available for the payment of the Authority's bonds, including the applicable series of the Series 2020B Bonds (or such other numbering convention as may be necessary), will be sufficient to provide for the payment of principal and interest thereon.

Section 5. Approval is granted to the undertaking of the Authority to make mortgage loans directly (or indirectly through mortgage backed securities) to members of the beneficiary classes to enable such borrower to acquire single family homes with all available proceeds from the applicable series of the Series 2020B Bonds and/or to refund any such bonds of the Authority (or such other numbering convention) in one or more series.

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 June 17, 2020.

WITNESS MY HAND this 17th day of June, 2020.

Secretary, South Carolina State Housing Finance and
Development Authority

THE STATE FISCAL ACCOUNTABILITY AUTHORITY OF SOUTH CAROLINA

A RESOLUTION

APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY MORTGAGE REVENUE BONDS, SERIES 2020B (TAX-EXEMPT AND/OR TAXABLE) OR SUCH OTHER NUMBERING CONVENTION AS MAY BE NECESSARY IN ONE OR MORE SERIES

WHEREAS, pursuant to Chapter 13, Title 31, Code of Laws of South Carolina, 1976, as amended, (the "Act"), upon the approval of the State Fiscal Accountability Authority of South Carolina (the "SFAA"), the South Carolina State Housing Finance and Development Authority (the "Authority") is empowered to issue bonds, the principal proceeds of which will be applied to providing sanitary and safe residential housing for persons and families of low income and moderate-to-low income at prices which such persons can afford and/or to refund any such bonds of the Authority; and

WHEREAS, the Authority heretofore on September 13, 1994, adopted a General Resolution for the issuance of South Carolina State Housing Authority Mortgage Revenue Bonds to provide money for mortgage loans to the beneficiary classes and/or to refund any such bonds of the Authority and afterwards issued multiple series of its bonds pursuant to said General Resolution (the "General Resolution"); and

WHEREAS, in light of additional demand for mortgage loans, the Authority proposes to make provision for the issuance of additional Authority Mortgage Revenue Bonds in one or more series, which may include long-term tax-exempt bonds and/or long-term taxable bonds not requiring additional State Ceiling (the "Series 2020B Bonds") or such other numbering convention as may be necessary, in an aggregate amount not to exceed \$150,000,000, with the final amount to be determined on the basis of the apparent demand for mortgage loans to be made directly (or indirectly through mortgage backed securities) with the proceeds of the applicable series of the Series 2020B Bonds and when a determination of the appropriate amount of bonds of the Authority for refunding can be made; and

WHEREAS, it is anticipated that the applicable series of the Series 2020B Bonds will be sold to underwriters (the "Underwriters") headed by Citigroup Global Markets Inc. bearing interest at competitive rates; and

WHEREAS, such sale shall be made pursuant to a purchase contract(s) between the Authority and the Underwriters (the "Purchase Contract"); and

WHEREAS, the SFAA has given due consideration to the proposed undertaking of the Authority and wishes to give approval to the issuance and sale of the Series 2020B Bonds in one or more series, subject to the conditions set forth herein.

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

Section 1. Subject to the conditions set forth herein, approval is hereby granted by the SFAA to the issuance and sale by the Authority of not exceeding \$150,000,000 South Carolina State Housing Finance and Development Authority Mortgage Revenue Bonds, Series 2020B (or such other numbering convention as may be necessary) in one or more series.

The applicable series of the Series 2020B Bonds (or such other numbering convention as may be necessary) shall be secured by the General Resolution and shall be further secured by, and subject to such terms and conditions as shall be set forth in, a supplemental resolution or resolutions which shall hereafter be adopted by the Authority.

Section 2. The approval is granted provided that the Authority shall submit to the SFAA all information required to be submitted to it pursuant to Section 31-13-220 of the Act such as the following:

- (a) the purpose and the principal amount of the applicable series of the Series 2020B Bonds (or such other numbering convention as may be necessary) to be issued;
- (b) the maturity schedule of the applicable series of the Series 2020B Bonds (or such other numbering convention as may be necessary) to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding bonds of the Authority;
- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said bonds of the Authority; and
- (e) the method to be employed in selling the applicable series of the Series 2020B Bonds (or such other numbering convention as may be necessary).

Section 3. The State Treasurer is hereby delegated the authority to approve, on behalf of the SFAA, the items set forth below in Section 4.

Section 4. The approval is granted subject to the following conditions:

- (a) The Authority shall submit to the SFAA all information required to be submitted to it pursuant to Section 31-13-220 of the Act as stated above;
- (b) The State Treasurer shall approve the principal amount of the applicable series of the Series 2020B Bonds (or such other numbering convention as may be necessary) and the rate of interest to be borne thereby upon the issuance and delivery thereof;
- (c) The State Treasurer shall approve the form and substance of preliminary and final official statements to be distributed in connection with the sale of the applicable series of the Series 2020B Bonds (or such other numbering convention as may be necessary);
- (d) The State Treasurer shall approve the form and substance of a supplemental resolution or supplemental resolutions setting forth the terms and conditions of the applicable series of the Series 2020B Bonds (or such other numbering convention as may be necessary);
- (e) The State Treasurer shall approve the terms and conditions of the Purchase Contract(s); and
- (f) The State Treasurer shall approve the issuance of the Series 2020B Bonds (or such other numbering convention as may be necessary) on behalf of the SFAA upon making a determination that the funds anticipated to be available for the payment of the Authority's bonds, including the applicable series of the Series 2020B Bonds (or such other numbering convention as may be necessary), will be sufficient to provide for the payment of principal and interest thereon.

Section 5. Approval is granted to the undertaking of the Authority to make mortgage loans directly (or indirectly through mortgage backed securities) to members of the beneficiary classes to enable such borrower to acquire single family homes with all available proceeds from the applicable series of the Series 2020B Bonds and/or to refund any such bonds of the Authority (or such other numbering convention) in one or more series.

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BURR.COM

[FORM OF OPINION FOR FISCAL ACCOUNTABILITY AUTHORITY AGENDA]

_____, 2020

South Carolina State Housing Finance
and Development Authority
Columbia, South Carolina

Re: \$[150,000,000] South Carolina State Housing Finance and Development Authority Mortgage
Revenue Bonds, Series 2020B

Ladies and Gentlemen:

We have acted as bond counsel to South Carolina State Housing Finance and Development Authority (the "Authority") in connection with the issuance of \$[150,000,000] Mortgage Revenue Bonds, Series 2020B (the "Series 2020B Bonds"). In such capacity, we have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion.

The Series 2020B Bonds are issued by the Authority pursuant to (i) the South Carolina State Housing Finance and Development Authority Act of 1977, codified as Title 31, Chapter 13, Code of Laws of South Carolina, 1976, as amended (the "Act"), (ii) the approval of the State Fiscal Accountability Authority of South Carolina, (iii) the General Resolution adopted by the Authority on September 13, 1994, as amended (the "General Resolution") and (iv) the Series 2020B Supplemental Resolution adopted by the Authority on _____, 20__ (the "Series 2020B Supplemental Resolution"). The General Resolution and the Series 2020B Supplemental Resolution are collectively referred to hereinafter as the "Resolution" and capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Resolution.

As to questions of fact material to our opinion, we have relied upon representations of the Authority contained in the Resolution, the certified proceedings and other instruments, certificates, agreements, covenants and opinions furnished to us, without undertaking to verify the same by independent investigation, including without limitation, an opinion of general counsel to the Authority as to the Authority's compliance with all applicable laws with respect to the operation of the Program.

Based upon the foregoing, it is our opinion that, under existing law:

1. The Authority is validly existing as a public body corporate and politic of the State with the power to enter into and perform its obligations under the Resolution and to issue the Series 2020B Bonds.

2. The Series 2020B Supplemental Resolution has been duly authorized by the Authority, and is a valid and binding obligation of the Authority enforceable against the Authority.

3. The Series 2020B Bonds have been duly authorized and executed by the Authority, and are valid and binding obligations of the Authority payable solely from the Trust Estate. The General Resolution creates a valid lien on the Revenues and the other Funds pledged by the General Resolution as security for the Series 2020B Bonds.

4. Interest on the Series 2020B Bonds is excludable from gross income for federal income tax purposes. Interest on the Series 2020B Bonds is not an item of tax preference in computing the alternative minimum tax imposed on individuals under the Internal Revenue Code of 1986, as amended (the "Code"). The opinion set forth in the first sentence of this paragraph is subject to the condition that the Authority comply with all requirements of the Code subsequent to the issuance of the Series 2020B Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Authority has covenanted to comply with all such requirements in the Tax and Arbitrage Certificate. Failure to comply with certain of such requirements may cause interest on the Series 2020B Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2020B Bonds. Ownership of tax-exempt obligations, including the Series 2020B Bonds, may result in collateral federal income tax consequences to certain taxpayers. We express no opinion regarding other federal tax consequences arising with respect to the Series 2020B Bonds.

5. Interest on the Series 2020B Bonds is exempt from all state, county, municipal, school district, and all other taxes or assessments provided by the laws of the State of South Carolina except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise and certain franchise taxes. It should be noted, however, that Section 12-11-20, Code of Laws of South Carolina, 1976, as amended, imposes upon every bank engaged in business in the State a fee or franchise tax computed on the entire net income of such bank which includes interest paid on the Series 2020B Bonds.

The rights of the owners of the Series 2020B Bonds and the enforceability of the Series 2020B Bonds and the Resolution are limited by applicable bankruptcy, insolvency, fraudulent transfer or other laws affecting the enforcement of creditor's rights generally, now existing or hereafter in force, judicial discretion and equitable principles whether at law or in equity, as applied by a court of competent jurisdiction. Further, we express no opinion regarding any indemnification or contribution requirement.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement or other offering document relating to the Series 2020B Bonds, or regarding the perfection or priority of

South Carolina State Housing Finance
and Development Authority

_____, 2020

Page 3

the lien on Revenues or other funds created by the Resolution. Further, we express no opinion regarding tax consequences arising with respect to the Series 2020B Bonds other than as expressly set forth herein.

Our opinion is rendered under existing statutes and court decisions as of the date hereof, and we assume no obligation to update our opinion after the date hereof to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. We express no opinion on the effect of any action hereafter taken.

Very truly yours,

BURR & FORMAN LLP

OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 06/30/20

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: L320 Issuer: South Carolina Housing Finance & Development Authority Series: 2020 B
 Borrower (if not Issuer): _____
 Bond Caption: Mortgage Revenue Bonds
 Bond Resolution Amount: \$150,000,000.00 Est. Production/Par Amt: \$145,000,000.00

(* Used to calculate initial COI percentages; STO bond issues must use Par Amt *)

Final Production/Par Amt: \$0.00

Submitted By:

ENTITY: SC Housing Finance & Development
 BY: Tracey Easton
 ITS: General Counsel, Director of Legal and
 Tel: 803-896-8771
 Email: tracey.easton@schousing.com

Transaction Type/Method of Sale:

<input checked="" type="checkbox"/>	Public Offering:	Competitive: _____	Negotiated: <input checked="" type="checkbox"/>
<input type="checkbox"/>	Direct Placement:	Competitive: _____	Negotiated: _____
<input type="checkbox"/>	Governmental Loan/Governmental Purchaser		
<input type="checkbox"/>	Other: _____		

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): Yes
 MSRB (EMMA) Continuing Disclosure Responsible Party: South Carolina Housing Finance & Development Authority

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Single Family Mortgage Revenue Bonds
 Project Address/Location: Available Statewide Amount: \$145,000,000.00
 Project Type: Single Family Mortgages County: _____
 Projected Avg Interest Rate: 4.00% Final Maturity: 01/01/51

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Amounts	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>Stifel</u>	Disclosure Counsel: <u>Howell Linkous & Nettles</u>
Bond Counsel: <u>Burr Forman McNair</u>	Issuer's Counsel: <u>Internal Counsel</u>
Underwriter: <u>Citigroup</u>	Trustee: <u>Bank of New York Mellon</u>
Paying Agent: <u>Bank of New York Mellon</u>	Other: <u>Underwriter's Counsel - Parker Poe Adams</u>

5. FINANCING/PROJECT DESCRIPTION

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

**** See attached page for details. ****

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	<u>06/17/20</u>	<u>Prelim/ Final</u>
JBRC Approval:	<u>00/00/00</u>	
SFAA Approval:	<u>06/30/20</u>	<u>Proposed</u>

Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower 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

	Yes	No
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)	<input type="checkbox"/>	<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 type="checkbox"/>	<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 -	<input type="text" value="Not Applicable"/>
	Cost Estimate -	<input type="text" value="\$0"/>

d.

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	FYI	Spend Down Schedule Notes
\$ 60,000,000.00	6/30/2021	Purchasing Mortgages / COI / DSR
\$ 90,000,000.00	6/30/2021	Purchasing Mortgages
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 150,000,000.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 145,000,000.00	\$ 145,000,000.00	Project Fund
(b) Premium/Accr. Int.	\$ 5,000,000.00	\$ 1,500,000.00	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$ 4,529,750.00	\$ 4,350,000.00	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$		Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 1,504,750.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify) Type -	\$	\$ 2,175,000.00	Accrued Interest
Residual Project Sources			Other
(6) Other			Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Sources	\$ 154,529,750.00	\$ 154,529,750.00	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)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	GKB / Stifel			\$ 71,000.00	\$	\$ 71,000.00
Bond Counsel	Burr Forman McNair			\$ 145,000.00	\$	\$ 145,000.00
Disclosure Counsel	Howell Linkous & Nettles			\$ 72,500.00	\$	\$ 72,500.00
Issuer's Counsel	Internal Counsel			\$	\$	\$
Underwriter's Counsel	Parker Poe Adams			\$ 36,250.00	\$	\$ 36,250.00
Transaction Counsel				\$	\$	\$
Legal Expenses				\$	\$	\$
				\$	\$	\$
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$ 70,000.00	\$	\$ 70,000.00
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$ 1,050,000.00	\$	\$ 1,050,000.00
Registrar / Paying Agent				\$ 30,000.00	\$	\$ 30,000.00
Escrow Agent				\$	\$	\$
Accountant				\$	\$	\$
Verification Agent				\$	\$	\$
Printing				\$	\$	\$
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$ 30,000.00	\$	\$ 30,000.00
Issuer's Fee	SC JEDA / SC SHFDA			\$	\$	\$
				\$ 1,504,750.00	\$	\$ 1,504,750.00

Est. / Actual COI Fees (% of Transaction):

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

0.05%	#DIV/0!
0.10%	#DIV/0!
0.18%	#DIV/0!
0.05%	#DIV/0!

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

0.72%	#DIV/0!
0.04%	#DIV/0!
1.04%	#DIV/0!



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

***06.30.2020 – South Carolina Housing Finance & Development Authority –
Mortgage Revenue Bonds Series 2020B - \$150,000,000***

Supplemental Response to Section 5:

This SFAA financing request is to secure new funds for agency purposes. The 2020B bonds will provide new proceeds for affordable housing loans to qualifying low and moderate income first-time single-family home buyers.

Issuance costs (not including the estimated underwriter's discount) are estimated at \$454,750 based on vendor contracts and typical fees for prior SC Housing transactions.

Key Notes

The estimated schedule for this project is as follows:

- Preliminary Board Approval of 2020B: 6/17/2020
- SFAA Approval of 2020B: 6/30/2020
- Final Board Approval of 2020B: 8/19/2020
- Pricing of 2020B: 9/16/2020
- Closing of 2020B: 10/15/2020

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF June 30, 2020

ITEM NUMBER 10

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 18, 2020, in Room 252, Edgar A. Brown Building.

AUTHORITY ACTION REQUESTED:

Agree to meet at 10:00 a.m. on August 18, 2020, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: