

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, October 15, 2019 -- 10:00 A. M.

Room 252, Edgar A. Brown Building

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11.	The Citadel	Not Exceeding \$39,000,000 General Obligation State Institution Bonds, Issued on Behalf of The Citadel

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, October 15, 2019 -- 10:00 A.M.

Room 252, Edgar A. Brown Building

REGULAR SESSION AGENDA INDEX -- Page 2

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AGENCY: State Treasurer's OfficeSUBJECT: Bond Counsel Selection

The State Treasurer's Office has provided the following notification, for informational purposes, of the firms selected and approved:

CONDUIT ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel
\$11,000,000; Educational Facilities Revenue Bonds; Spartanburg Preparatory School; Series 2019 (South Carolina Jobs-Economic Development Authority – "SC JEDA")	Spartanburg Preparatory School Conduit: SC JEDA	Howell Linkous & Nettles – Sam Howell; Alan Linkous	Nexsen Pruet – Laurie Becker
\$115,000,000; Economic Development Revenue Bonds; Bishop Gadsden Episcopal Retirement Community; Series 2019 (SC JEDA)	Bishop Gadsden Episcopal Retirement Community Conduit: SC JEDA	Haynsworth Sinkler Boyd – Mitchell Johnson	Howell Linkous & Nettles – Sam Howell; Alan Linkous
\$45,000,000; Taxable Hospital Revenue Bonds; Conway Hospital, Inc.; Series 2019 (SC JEDA)	Conway Hospital, Inc. Conduit: SC JEDA	Burr Forman McNair – Michael Seezen; Katten Muchin Rosenman – Chad Doobay	Burr Forman McNair – Michael Seezen
\$50,000,000; Economic Development Revenue Bonds; Upstate Senior Living dba The Woodlands at Furman; Series 2019 (SC JEDA)	Upstate Senior Living dba The Woodlands at Furman Conduit: SC JEDA	Haynsworth Sinkler Boyd – Kimberly Witherspoon	Pope Flynn – Joe Lucas
\$30,000,000; Hospital Revenue Bonds; St. Joseph's/Candler Health System, Inc.; Series 2019 (SC JEDA)	St. Joseph's/Candler Health System Conduit: SC JEDA	Burr Forman McNair – Michael Seezen; Chapman and Cutler – David Kates; Megan Rudd	Haynsworth Sinkler Boyd – Kathy McKinney; Kimberly Witherspoon
\$315,000,000; Hospital Revenue Bonds; CareAlliance Services dba Roper St. Francis Healthcare; Series 2019 (SC JEDA)	CareAlliance Services dba Roper St. Francis Healthcare Conduit: SC JEDA	Haynsworth Sinkler Boyd – Jeremy Cook	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
\$240,000,000 Higher Education Revenue Bonds; (Campus Village Project); Series 2019	University of South Carolina	Pope Flynn – Gary Pope, Margaret Pope
\$31,000,000 GO SIB; (Daniel Hall Project); Series 2019	Clemson University	Pope Flynn – Gary Pope, Margaret Pope
\$120,000,000 Mortgage Revenue Bonds; Series 2019B	SC State Housing Finance and Development Authority	Burr Forman McNair – Rion Foley
\$39,000,000 GO SIB; (Caper's Hall Project); Series 2019	The Citadel	Haynsworth Sinkler Boyd – Theodore DuBose, Jeremy Cook
\$18,500,000 GO SIB; (New College of Pharmacy Addition/Renovation Project); Series 2019	MUSC	Pope Flynn – Bill Musser

SPECIAL ASSIGNMENT OF BOND COUNSEL:

Description of Issue	Agency/Institution	Approved Bond Counsel
Advice and counsel to Coastal Carolina in connection with certain matters of public finance.	Coastal Carolina University	Pope Flynn – Gary Pope

AUTHORITY ACTION REQUESTED:

In accord with Authority policy, receive the State Treasurer's Office report of bond counsel as information.

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 October 15, 2019 meeting:

CONDUIT ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$11,000,000; Educational Facilities Revenue Bonds; Spartanburg Preparatory School; Series 2019 (South Carolina Jobs-Economic Development Authority – "SC JEDA")	Spartanburg Preparatory School Conduit: SC JEDA	Howell Linkous & Nettles – Sam Howell; Alan Linkous	Nexsen Pruet – Laurie Becker	08/16/2019
\$115,000,000; Economic Development Revenue Bonds; Bishop Gadsden Episcopal Retirement Community; Series 2019 (SC JEDA)	Bishop Gadsden Episcopal Retirement Community Conduit: SC JEDA	Haynsworth Sinkler Boyd – Mitchell Johnson	Howell Linkous & Nettles – Sam Howell; Alan Linkous	08/16/2019
\$45,000,000; Taxable Hospital Revenue Bonds; Conway Hospital, Inc.; Series 2019 (SC JEDA)	Conway Hospital, Inc. Conduit: SC JEDA	Burr Forman McNair – Michael Seezen; Katten Muchin Rosenman – Chad Doobay	Burr Forman McNair – Michael Seezen	08/21/2019
\$50,000,000; Economic Development Revenue Bonds; Upstate Senior Living dba The Woodlands at Furman; Series 2019 (SC JEDA)	Upstate Senior Living dba The Woodlands at Furman Conduit: SC JEDA	Haynsworth Sinkler Boyd – Kimberly Witherspoon	Pope Flynn – Joe Lucas	08/26/2019
\$30,000,000; Hospital Revenue Bonds; St. Joseph's/Candler Health System, Inc.; Series 2019 (SC JEDA)	St. Joseph's/Candler Health System Conduit: SC JEDA	Burr Forman McNair – Michael Seezen; Chapman and Cutler – David Kates; Megan Rudd	Haynsworth Sinkler Boyd – Kathy McKinney; Kimberly Witherspoon	09/18/2019
\$315,000,000; Hospital Revenue Bonds; CareAlliance Services dba Roper St. Francis Healthcare; Series 2019 (SC JEDA)	CareAlliance Services dba Roper St. Francis Healthcare Conduit: SC JEDA	Haynsworth Sinkler Boyd – Jeremy Cook	Howell Linkous & Nettles – Sam Howell; Alan Linkous	09/18/2019

GENERAL OBLIGATION / REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved
\$240,000,000 Higher Education Revenue Bonds; (Campus Village Project); Series 2019	University of South Carolina	Pope Flynn – Gary Pope, Margaret Pope	07/24/2019
\$31,000,000 GO SIB; (Daniel Hall Project); Series 2019	Clemson University	Pope Flynn – Gary Pope, Margaret Pope	08/27/2019
\$120,000,000 Mortgage Revenue Bonds; Series 2019B	SC State Housing Finance and Development Authority	Burr Forman McNair – Rion Foley	08/30/2019
\$39,000,000 GO SIB; (Caper's Hall Project); Series 2019	The Citadel	Haynsworth Sinkler Boyd – Theodore DuBose, Jeremy Cook	09/06/2019
\$18,500,000 GO SIB; (New College of Pharmacy Addition/Renovation Project); Series 2019	MUSC	Pope Flynn – Bill Musser	09/06/2019

SPECIAL ASSIGNMENT OF BOND COUNSEL:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved
Advice and counsel to Coastal Carolina in connection with certain matters of public finance.	Coastal Carolina University	Pope Flynn – Gary Pope	08/02/2019

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF October 15, 2019

REGULAR SESSION
ITEM NUMBER 2

AGENCY: Adjutant General's Office

SUBJECT: Notice of Expenditure of Funds

Pursuant to S.C. Code Ann. Section 1-11-470, Major General R. Van McCarty, South Carolina Adjutant General, has advised the Authority that he will be expending funds to advertise on behalf of the SC Military Museum. The funds will be used to attract attendance to Museum events such as the upcoming 75th Anniversary of the Battle of the Bulge Commemoration to honor SC WWII Veterans. Adjutant General McCarty expects to expend no more than \$30,000 toward the cost of advertising. The funds are from funds appropriated to the Adjutant General's Office for this purpose. Approval of the request must be by unanimous vote of the Authority.

AUTHORITY ACTION REQUESTED:

Approve a request from Adjutant General R. Van McCarty concerning the expenditure of funds for the purpose of advertising on behalf of the SC Military Museum in amount not to exceed \$30,000. The Authority must approve the request to use the funds for such purposes by unanimous vote.

ATTACHMENTS:

Jones 10/4/19 letter; Jeffcoat 10/4/19 email; Code Sections 1-11-470

The State of South Carolina
Military Department



Office of the Adjutant General

R. VAN MCCARTY
MAJOR GENERAL
THE ADJUTANT GENERAL

1 NATIONAL GUARD ROAD
COLUMBIA, S.C. 29201-4752

JEFFREY A. JONES
BRIGADIER GENERAL
DEPUTY ADJUTANT GENERAL

October 4, 2019

SUBJECT: Adjutant General's Office – Request for Approval of Advertising Funds for SC Military Museum Pursuant to SC Code §1-11-470

Delbert Singleton, Authority Secretary
State Fiscal Accountability Authority
1201 Main Street, Suite 600
Columbia, SC 29201

Dear Mr. Singleton:

Major General R. Van McCarty, the Adjutant General for South Carolina, respectfully requests that he and/or his staff representatives be allowed to appear before the State Fiscal Accountability Authority on 15 October 2019 for approval to use a portion of funds appropriated to the Office of the Adjutant General for the purpose of advertising on behalf of the SC Military Museum. We understand that approval by the SFAA is required pursuant to SC Code §1-11-470 because the Adjutant General, though no longer an elected position, is still a state constitutional officer.

The Museum was created by the General Assembly in 1981 and codified as the SC Military Military Museum in 1998. See SC Code §25-17-10, *et. al.* Although the Museum itself is governed by a statutorily-mandated board, the Adjutant General is authorized to support the Museum pursuant to South Carolina Code §25-17-30. In recent years, the funds for Museum operations, non-volunteer Museum personnel, physical facilities, etc. have been provided by or through the Office of the Adjutant General, which has access to both state and federal resources to support the Museum and its mission of educating the public re: the SC National Guard from 1670 to present day operations at home and abroad.

South Carolina Code §25-17-50 further specifies that: "The museum must be a military and historical museum charged with the responsibility for the collection, preservation, and exhibition of archives, books, records, documents, maps, charts,

military equipment, uniforms, flags, and any other such articles. It may be a depository for materials considered relevant to national, state, or local history by the board. The museum collection must be open to the public at times determined by the board."

Additionally, during recent legislative oversight committee hearings before members of both the House and Senate, said members clearly expressed a collective desire that the Museum enhance its efforts to reach new and larger audiences, in particular school age audiences, and increase public use of the educational, research, and entertainment opportunities offered through the Museum.

In summary, The Adjutant General is asking for permission to use funds appropriated to his office for this purpose and also to attract attendance to Museum events such as the upcoming 75th Anniversary of the Battle of the Bulge Commemoration to honor SC WWII Veterans.

If you have any questions relating to this request, or any other matter relating to either the Museum or the Office of the Adjutant General, please do not hesitate to contact Major General McCarty's office at 803-299-4031 or the Museum's Director, Steven Jeffcoat, at 803-238-4599.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Jeffrey A. Jones', with a long horizontal flourish extending to the right.

Jeffrey A. Jones
Brigadier General, SCNG
Deputy Adjutant General

South Carolina Legislature

South Carolina Law > Code of Laws > Title 25

South Carolina Code of Laws Unannotated

Title 25 - Military, Civil Defense and Veterans Affairs

CHAPTER 17

South Carolina Military Museum

SECTION 25-17-10. Military Museum; establishment; board members.

There is established the South Carolina Military Museum, located at one or more locations in the State as selected by the State Adjutant General. The museum is governed by the South Carolina Military Museum Board composed of seven members. Five members must be appointed by the Adjutant General for terms concurrent with that of the Adjutant General. The Adjutant General and the President of the South Carolina National Guard Association shall serve as members ex officio.

HISTORY: 1981 Act No. 57, Section 1; 1998 Act No. 319, Section 1.

SECTION 25-17-20. Duties of board; meetings, elections, reports.

The board shall hold regular meetings, prescribe rules for its operations, elect the officers necessary, establish and use any identifying seal pertaining to museum business, and make an annual report which must be included as a part of the Adjutant General's report to the Governor. For the purpose of transacting business, four members constitute a quorum. The members of the board shall serve without compensation.

HISTORY: 1981 Act No. 57, Section 2; 1998 Act No. 319, Section 1.

SECTION 25-17-30. Maintenance of museum and collection; improvement of grounds for outdoor displays.

Military Department of South Carolina equipment, supplies, and personnel may be used to maintain the museum and collection. The board may improve existing grounds by the construction of concrete slabs and fencing for suitable outdoor display of large items of heavy equipment such as artillery, armored vehicles, and other military equipment and weapons.

HISTORY: 1981 Act No. 57, Section 3; 1998 Act No. 319, Section 1; 2001 Act No. 85, Section 47.

SECTION 25-17-40. Board may accept loans, grants, donations and the like; acquisition of land or items by purchase, lease, or contract.

The board may accept lands, buildings, money, relics, weapons, or any other thing of value on behalf of, or as additions to the museum either in the form of loans or grants or donations or bequests; may acquire land and items by purchase, lease, or otherwise, and may enter into contracts with any person to accomplish such purposes. Any such gifts, donations, or bequests are considered gifts to a charitable or eleemosynary organization.

HISTORY: 1981 Act No. 57, Section 4; 1998 Act No. 319, Section 1.

SECTION 25-17-50. Museum to collect, preserve, and exhibit items of interest; public access.

The museum must be a military and historical museum charged with the responsibility for the collection, preservation, and exhibition of archives, books, records, documents, maps, charts, military equipment, uniforms, flags, and any other such articles. It may be a depository for materials considered relevant to national, state, or local history by the board. The museum collection must be open to the public at times determined by the board.

HISTORY: 1981 Act No. 57, Section 5; 1998 Act No. 319, Section 1.

Legislative Services Agency
<http://www.scstatehouse.gov>

Singleton, Delbert

From: Steven Jeffcoat <scjeffcoat@msn.com>
Sent: Friday, October 04, 2019 1:41 PM
To: Singleton, Delbert
Subject: Re: [External] Re: Agenda Item

Sir,

The amount requested by the Adjutant General is no more than \$30,000.00.

Once again, thank you very much for helping us at such a late date! Now that I know the process, I will ensure that next time we are more timely.

Have a great weekend!

Sincerely,

Steven Jeffcoat
Director
SC Military Museum

Sent from my iPhone

On Oct 2, 2019, at 12:07 PM, Singleton, Delbert <delbert@sfaa.sc.gov> wrote:

The meeting is scheduled for October 15th at 10:00 a.m. in room 252 of the Edgar Brown Building.

From: Steven Jeffcoat <scjeffcoat@msn.com>
Sent: Wednesday, October 02, 2019 11:31 AM
To: Singleton, Delbert <delbert@sfaa.sc.gov>
Subject: [External] Re: Agenda Item

Received, thank you! Have forwarded it the Adjutant General.

Can you please tell me the time of the board meeting and the location? Thanks in advance!

Sent from my iPhone

On Oct 1, 2019, at 4:20 PM, Singleton, Delbert <delbert@sfaa.sc.gov> wrote:

Stephen,

Per our discussion we will need an official request from the Adjutant General for inclusion of the item on the agenda. You may use the attached letter as a guide for developing the AG's request. Let me know if you have any questions. We will need the request by COB tomorrow.

Thanks,

Delbert

<image001.jpg>

Delbert H. Singleton, Jr.
Assistant Executive Director and Authority Secretary
SC State Fiscal Accountability Authority
1200 Senate Street | Suite 600 | Columbia, SC 29201 | Office: (803) 734-2314

<Scan_0398.pdf>

SECTION 1-11-470. Limitations on use of funds appropriated by General Assembly.

(A) No funds appropriated by the General Assembly may be used by a constitutional officer to purchase space including, but not limited to, notices or advertisements, in a print medium or time from a radio or television medium without unanimous prior written approval of the Budget and Control Board.

(B) No funds appropriated by the General Assembly may be used by a constitutional officer to print on, or distribute with, official documents extraneous promotional material or to purchase plaques, awards, citations, or other recognitions without unanimous prior written approval of the Budget and Control Board.

(C) If nonpublic funds are used for the purposes enumerated in subsection (A), the constitutional officer expending the funds must submit the source of the funds showing all contributors to the Budget and Control Board before the funds are expended.

(D) The provisions of this section do not apply to the Governor or to the General Assembly.

HISTORY: 1997 Act No. 155, Part II, Section 42A.

Code Commissioner's Note

At the direction of the Code Commissioner, reference in this section to the former Budget and Control Board has not been changed pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), until further action by the General Assembly.

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF October 15, 2019

REGULAR SESSION
ITEM NUMBER 3

AGENCY: Secretary of State

SUBJECT: Notice of Expenditure of Funds

Pursuant to S.C. Code Ann. Section 1-11-470, Secretary of State Mark Hammond has advised the Authority that he will be expending funds to purchase radio and television public service announcements. The radio and television announcements will be used for a public awareness campaign on charitable solicitations fraud. Secretary Hammond expects to expend no more than \$65,000 toward the cost of the radio and television public service announcements. The funds are from administrative fees and fines issued by the Secretary of State pursuant to the Solicitation of Charitable Funds Act, Code Section 33-56-10. Approval of the request must be by unanimous vote of the Authority.

AUTHORITY ACTION REQUESTED:

Approve a request from Secretary of State Mark Hammond concerning the expenditure of funds to purchase radio and television public service announcements not to exceed \$65,000 for a public awareness campaign on charitable solicitations fraud. The Authority must approve the request to use the funds for such purposes by unanimous vote.

ATTACHMENTS:

Dunlap 8/12/19 letter; Code Sections 1-11-470

State of South Carolina
Office of the Secretary of State
The Honorable Mark Hammond

1205 PENDLETON STREET, SUITE 525
COLUMBIA, SC 29201

803-734-2170
www.sos.sc.gov



August 12, 2019

Delbert Singleton, Authority Secretary
State Fiscal Accountability Authority
1201 Main Street, Suite 600
Columbia, SC 29201

Re: Secretary of State's Request for Public Service Announcement for Charitable Solicitations Fraud Prevention

Dear Mr. Singleton:

Secretary Hammond is requesting to appear before the State Fiscal Accountability Authority for approval to use funds for radio and television public service announcements concerning charitable solicitations fraud pursuant to S.C. Code §1-11-470. I would appreciate it if you would please place this item on the October 15, 2019 meeting agenda.

Secretary Hammond is the administrator of the Solicitation of Charitable Funds Act (S.C. Code Ann. §33-56-10 et seq.), and therefore he is responsible for protecting charitable donors from unscrupulous charities and professional fundraisers. In addition to requiring transparency from charitable organizations, our efforts to educate the public remain an effective tool for enforcing the Act. Not only does the public need to know how to find information on how their charitable contributions are used, but also the Secretary of State needs to know when South Carolina citizens receive fraudulent solicitations. We would like to continue our efforts in educating the public about wise charitable giving. In addition to the information that our office provides on our website, our online complaint form continues to be an important tool for the public to submit their concerns.

Secretary Hammond would like approval to expend no more than \$65,000.00 toward the cost of radio and television public service announcements this year. The requested funds are collected by the agency from fees and fines imposed on charities and professional fundraisers pursuant to the Solicitation of Charitable Funds Act. The sole purpose of the public service campaign is to protect charitable donors in South Carolina and to facilitate enforcement of the Solicitation of Charitable Funds Act. Please contact me at 734-2157

Mr. Delbert Singleton – SFAA Authority Secretary – Page 2
August 12, 2019

if you have any questions about this request. Secretary Hammond and I look forward to seeing you on October 15, 2019.

Sincerely,

A handwritten signature in black ink that reads "Melissa Dunlap". The signature is written in a cursive style with a large, stylized "M" and "D".

Melissa Dunlap

Deputy Secretary of State & Chief Legal Counsel

SECTION 1-11-470. Limitations on use of funds appropriated by General Assembly.

(A) No funds appropriated by the General Assembly may be used by a constitutional officer to purchase space including, but not limited to, notices or advertisements, in a print medium or time from a radio or television medium without unanimous prior written approval of the Budget and Control Board.

(B) No funds appropriated by the General Assembly may be used by a constitutional officer to print on, or distribute with, official documents extraneous promotional material or to purchase plaques, awards, citations, or other recognitions without unanimous prior written approval of the Budget and Control Board.

(C) If nonpublic funds are used for the purposes enumerated in subsection (A), the constitutional officer expending the funds must submit the source of the funds showing all contributors to the Budget and Control Board before the funds are expended.

(D) The provisions of this section do not apply to the Governor or to the General Assembly.

HISTORY: 1997 Act No. 155, Part II, Section 42A.

Code Commissioner's Note

At the direction of the Code Commissioner, reference in this section to the former Budget and Control Board has not been changed pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), until further action by the General Assembly.

AGENCY: S.C. Governor's School for Science and Mathematics (GSSM)/
Department of Education

SUBJECT: Seeking Approval of Personnel Settlement Agreement

On June 21, 2017, the Governor's School for Science and Mathematics (GSSM) Board and Dr. Hector Flores entered into a formal Professional Employment Agreement, governing the terms and conditions of Dr. Flores' position as President of GSSM. The contract provided that Dr. Flores would be employed as President under a five-year term commencing July 1, 2017, and ending June 30, 2022. Under the contract, the Board was required to pay Dr. Flores an annual base salary of \$201,337 effective July 1, 2017. In addition, under the contract, Dr. Flores was entitled to receive, among others things, all benefits of administrative employees of the State, including but not limited to, leave, insurance protection, and retirement programs. Dr. Flores requested to be released from his contract and resign from his employment as President of GSSM, and the GSSM Board voted to accept his resignation effective July 30, 2019. Due to situations arising since July 4, 2019, and earlier, it is necessary for the parties to end their association and enter into settlement agreement. The Board believed that this option was preferable to voting unilaterally to terminate the contract because it affords the execution of a full release, avoiding any potential litigation for GSSM or its employees.

AUTHORITY ACTION REQUESTED:

As requested by the S.C. Governor's School for Science and Mathematics, through the Department of Education, approve the proposed settlement agreement and release between GSSM and Dr. Hector Flores where he will receive a wage-based payment of \$277,845.06, which equates to one year's salary and fringe benefits paid subject to all tax withholding and other payments as required by law.

ATTACHMENTS:

Agenda item worksheet; Paul 9/13/19 letter

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 15, 2019

Regular Agenda

1. Submitted By:

(a) Agency: GSSM/ SC Department of Education

(b) Authorized Official Signature: 

2. Subject: Seeking approval of personnel settlement agreement.

3. Summary Background Information:

On June 21, 2017, the GSSM Board and Dr. Flores entered into a formal Professional Employment Agreement ("Contract"), governing the terms and conditions of Dr. Flores' position as President of GSSM. The Contract provided that Dr. Flores would be employed as President under a five-year term commencing July 1, 2017 and ending June 30, 2022. Under the Contract, the Board was required to pay Dr. Flores an annual base salary of Two Hundred One Thousand Three Hundred Thirty-Seven Dollars (\$201,337.00) effective July 1, 2017. In addition, under the Contract, Dr. Flores was entitled to receive, among other things, all benefits of administrative employees of the State, including but not limited to, leave, insurance protection, and retirement programs. Dr. Flores requested to be released from his contract and resign from his employment as President of GSSM, and the GSSM Board voted to accept his resignation effective July 30, 2019. Due to situations arising since July 4, 2019, and earlier, it is necessary for the parties to end their association and enter into settlement agreement.. The Board believed that this option was preferable to voting unilaterally to terminate the Contract because it affords the execution of a full release, avoiding any potential litigation for GSSM or its employees.

4. What is Authority asked to do?

Approve the proposed settlement agreement and release between GSSM and Dr. Flores where he will receive a wage-based payment of \$277,845.06, which equates to one year's salary and fringe benefits paid subject to all tax withholding and other payments as required by law. Although the Board's action did not constitute a unilateral termination of Dr. Contract, the proposed settlement amount is comparable to the contract payout referenced in the Contract (i.e. one fifth of Dr. Flores' contract) had the Board terminated the Contract.

5. What is recommendation of the Agency involved? It is GSSM's recommendation that the settlement be approved.

6. Recommendation of other Division/Agency (as required)

(a) Authorized Signature: 

(b) Division/Agency Name: SC Department of Education

7. List of Supporting Documents:

September 13, 2019

Grant Gillespie, Executive Director
Wade Hampton Building, Suite 600
Columbia, SC 29201

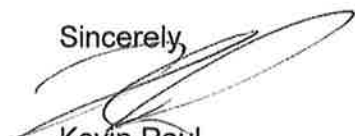
Via email only @ GGillespie@sfaa.sc.gov

Re: Personnel Settlement - Governor's School for Science & Mathematics / Hector Flores

Dear Mr. Gillespie,

The Department of Administration (Admin) has been notified that the above matter may be placed on the agenda for the State Fiscal Accountability Authority's (SFAA) October 15, 2019 meeting. This office has reviewed the Governor's School for Science and Mathematics' (GSSM) Letter of Justification as it relates to the personnel settlement agreement reached between GSSM and Dr. Hector Flores and notes that GSSM sets out their reasons for settling this matter and provides justification for the amount of the settlement. As such, DSHR recommends that SFAA consider GSSM's position that the amount of the settlement is comparable to the payment referenced in Dr. Flores's employment contract (i.e. one fifth of Dr. Flores's salary) and that the required full release would address any claims that Dr. Flores may make for causes of action outside of the contract, the defense of which could be expensive and disruptive to the school.

Sincerely,



Kevin Paul
Acting Director

C: Delbert Singleton (via email only)
Jasmine Rogers Drain (via email only)



AGENCY: Department of Administration, Capital Budget Office

SUBJECT: 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:

Establish Project for A&E Design

- (a) Summary 2-2020: JBRC Item 1. (H12) Clemson University
 Project: 9943, Wastewater Treatment Plant Improvements
 Included in Annual CPIP: Yes – 2019 CPIP Priority 3 of 7 in FY20 (estimated at \$8,000,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 9/5/19

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Maintenance & Stewardship	-	-	-	150,000	150,000
All Sources	=	=	=	<u>150,000</u>	<u>150,000</u>

Funding Source: \$150,000 Other, Maintenance & Stewardship Funds, which are tuition, matriculation and other debt retirement and plant transfer revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use.

Request: Establish project and budget for \$150,000 (Other, Maintenance & Stewardship Funds) to establish the Phase I pre-design budget to make improvements by replacing and upgrading facilities at the Wastewater Treatment Plant that serves Clemson University. The Phase I request is 1.87% of the estimated cost to complete the project and the additional funds will allow the university to provide more intensive engineering design work that involves DHEC preliminary design approvals and the preconstruction services of a construction manager-at-risk. The work will include improving the biological process and clarification equipment, providing additional biological process redundancy, installing equipment for biological process equalization, automation and remote monitoring capabilities, and making wastewater collection system improvements. The original plant was constructed in 1964 when main campus enrollment was less than 5,000 students, with current enrollment at approximately 25,000 with 1,650 faculty and 3,750 staff. Due to the installation of water conservation measures in recent years, the projected flow is not expected to exceed the design average daily

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flow over the next 20 years. However, much of the equipment is more than 55 years old, which impacts the systems reliability, redundancy and operational flexibility. In addition, because the facility is not manned 24/7 and only a portion of the plant is on the plant's control system, improved automation, remote monitoring and control capabilities are needed to serve current and future campus facilities. Recent regulatory findings on sanitary sewer collection piping under DHEC and EPA programs have revealed significant deficiencies in the university's aging underground sewer collection infrastructure, where piping and manhole structures have reached the end of their useful lives and need rehabilitation. Implementing collection system piping rehabilitation as part of this project will expedite the compliance and per the university, provide economies of scale cost savings. The agency estimates total project costs at \$8,000,000.

- (b) Summary 2-2020: JBRC Item 2. (H15) College of Charleston
 Project: 9668, McAlister Residence Hall 2021 Renovation
 Included in Annual CPIP: Yes – 2019 CPIP Priority 1 of 10 in FY20 (estimated at \$32,000,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 9/5/19

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Housing Revenue	-	-	-	480,000	480,000
All Sources	-	-	-	<u>480,000</u>	<u>480,000</u>

Funding Source: \$480,000 Other, Housing Revenue, which is a self-supporting auxiliary enterprise generated primarily through the Student Housing Fee paid only by students who reside in on-campus housing. The Student Housing Fee is on a sliding scale based on the amenities, number of beds per room, and location of the residence hall or historic home.

Request: Establish project and budget for \$480,000 (Other, Housing Revenue Funds) to repair significant moisture intrusion/damage and indoor air quality issues from failing roofing, window, exterior finishes, HVAC and exhaust systems in McAlister Residence Hall. The entire TPO membrane roof requires replacement, as well as all windows and 75% of exterior stucco. Structural repairs will be made to areas damaged by moisture intrusion. General repairs will be applied to support angles, expansion joints, exposed rebar, concrete (block, pre-cast and poured)

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and secondary steel. The project will replace approximately 130 individual VTAC HVAC units with a centralized variable flow refrigerant delivery system to increase energy efficiency, reliability, maintenance access and to alleviate the “heat tunnel” effect created by the current air discharge design. The project will also repair/clean existing HVAC ductwork, replace moisture damaged interior sheetrock and supported metal framing studs, replace all exterior stair/breezeway railings (rusting and increasingly dangerous), replace damaged/obsolete elevator control systems and cab finishes, replace all lighting with LED fixtures, replace plumbing fixtures and select piping, repair/replace damaged doors, repair/replace damaged millwork, upgrade telecommunications fiber/controls, replace/refresh all interior and exterior finishes and replace all furnishings. The 152,142 gross square foot residence hall was constructed in 2002 and is 17 years old. The facility will house 535 undergraduate students per academic year, plus one Residence Hall Director, 3-4 administrative staff, 3-4 facilities staff during regular business hours. In November 2016, a project was established of similar scope but has recently been withdrawn after Phase I forensic investigation and destructive testing revealed moisture intrusion/damage was far worse than originally anticipated. The agency estimates total project costs at \$32,000,000. (See attachment 1 for additional annual operating cost savings.)

- (c) Summary 2-2020: JBRC Item 3. (H18) Francis Marion University
Project: 9580, Athletics Renovations/Improvements – GAC Fieldhouse & Smith University Ctr.

Included in Annual CPIP: Yes – 2019 CPIP Priority 3 of 3 in FY20 (estimated at \$3,200,000)

JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 9/5/19

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, FMU Maintenance Reserve	-	-	-	48,000	48,000
All Sources	-	-	-	<u>48,000</u>	<u>48,000</u>

Funding Source: \$48,000 Other, FMU Maintenance Reserve Funds, which is made up of interest earnings, \$100 per semester facility fee (per Full-Time Student) and \$100 per semester portion of student tuition approved by the FMU Board of Trustees are designated for earmarked for this fund.

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Request: Establish project and budget for \$48,000 (Other, FMU Maintenance Reserve Funds) to establish Phase I pre-design for renovations and improvements to Griffin Athletic Complex field house and the Smith University Center buildings. The Francis Marion University Smith University Center renovations include locker rooms for men and women, showers, athletic training facilities, and offices. The current locker rooms and showers have undergone hardly any improvements since the building was constructed in 1974. As the number of teams and student-athletes within the FMU program have increased, the functionality of the facility fails to meet the needs of the programs and these renovations will bring the facilities to modern standards. The current athletic training room does not meet the minimum National Athletic Trainers' Association (NATA) requirements. This renovation will double the square footage and will provide increased rehabilitation facilities. Currently, staff members are using closet space for offices, and this renovation will afford improved and increased office space. This 45-year-old facility is 115,366 square feet and will have renovations to approximately 8,780 square feet. The renovated space in this facility will serve approximately 200 individuals daily. The Francis Marion University field house additions include a one-story expansion of the existing field house including an athletic training/therapy room, fitness/weight facility, offices, and locker rooms. The field house currently has no established training/therapy facilities for the baseball, softball, and soccer contests held at the Griffin Athletic Complex. With the growth in athletic programs, current locker room space does not accommodate the additional student athletes. This expansion allows for a locker room to be used by the FMU baseball team, vesting baseball and softball teams as well as the men's and women's soccer teams. The university currently does not have a fitness/weight facility for dedicated use by student-athletes. The current weight room is shared between the student-athletes and the student body, and per the university, this shared scheduling creates hardships on both groups. This 7-year-old facility is 7,563 square feet and the addition will be 8,500 square feet. The locker and training/therapy space in this facility will serve approximately 150 individuals daily. The agency estimates total project costs at \$3,200,000.

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- (d) Summary 2-2020: JBRC Item 4. (H59) Tri-County Technical College
 Project: 6151, Pendleton Campus Miller Hall Renovation
 Included in Annual CPIP: Yes – 2019 CPIP Priority 2 of 3 in FY20 (estimated at \$1,500,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 8/1/19

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Accumulated Maintenance Reserve	-	-	-	22,500	22,500
All Sources	=	=	=	<u>22,500</u>	<u>22,500</u>

Funding Source: \$22,500 Other, Accumulated Maintenance Reserve Funds, which are fund balance transfers to the Plant Fund through an annual year-end capital transfer.

Request: Establish project and budget for \$22,500 (Other, Accumulated Maintenance Reserve Funds) to begin design work to renovate and repurpose 20,000 square feet of vacated space due to transition of services to the new Student Success Center and Ruby Hicks Hall and relocate college programs and/or services to Miller Hall based on prioritized needs. Needs include moving Human Resources and Campus Police closer to the front of campus and creation of office space for academic faculty relocated to the renovation of the College Health Science building, Fulp Hall and Oconee Hall. Miller Hall was built in 1970 and the last capital investment in this building, excluding normal building maintenance, HVAC/roof, was completed in 2002. The facility is utilized by 20 faculty and 3,580 students. The agency estimates total project costs at \$1,500,000.

- (e) Summary 2-2020: JBRC Item 5. (D50) Department of Administration
 Project: 6023, Blatt Building – Replace Windows
 Included in Annual CPIP: Yes – 2019 CPIP Priority 21 of 31 in FY20 (estimated at \$890,000)
 JBRC/SFAA Phase I Approval: N/A
 CHE Recommended Approval: N/A

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SUBJECT: Permanent Improvement Projects

<u>Source of Funding</u> <u>Detail</u>	<u>Original</u> <u>Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State	-	-	-	64,051	64,051
All Sources	=	=	=	<u>64,051</u>	<u>64,051</u>

Funding Source: \$64,051 Appropriated State Funds.

Request: Establish project and budget for \$64,051 (Appropriated State Funds) to obtain a preliminary design and cost estimate for the replacement of the windows in the Solomon Blatt Building located at the SC State Capitol Complex. The Phase I amount is 4.81% of the estimated cost to complete the project and the additional amount will be used to procure a Construction Manager-Agent. The windows are original to the 41-year-old building constructed in 1978, past their useful life, and leaking in multiple areas. The building is 155,162 gross square feet and is utilized by the SC House of Representatives for offices, conference and meeting room space, and include 80-100 staff year-round. From January to July each year the number increases to approximately 330. The Phase I estimated cost to complete the project has increased from the 2019 CPIP because the CPIP amount was an internal estimate and the submission amount is based on an Opinion of Probable Cost from an A&E. The agency estimates total project costs at \$1,329,091.

- (f) Summary 2-2020: JBRC Item 12. (D50) Department of Administration
 Project: 6030, Marion Gressette Building – Replace Windows
 Included in Annual CPIP: Yes – 2019 CPIP Priority 20 of 31 in FY20 (estimated at \$862,137)
 JBRC/SFAA Phase I Approval: N/A
 CHE Recommended Approval: N/A

<u>Source of Funding</u> <u>Detail</u>	<u>Original</u> <u>Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State	-	-	-	68,050	68,050
All Sources	=	=	=	<u>68,050</u>	<u>68,050</u>

Funding Source: \$68,050 Appropriated State Funds.

Request: Establish project and budget for \$68,050 (Appropriated State Funds) to obtain a preliminary design and cost estimate for the replacement of the windows in the Marion Gressette building located in the SC State Capital Complex. The Phase I amount is 4.14% of the estimated cost to

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complete the project and the additional amount will be used to procure a Construction Manager-Agent. The windows are original to the 43-year-old building constructed in 1976, past their useful life, and leaking in multiple areas. The building is 81,737 gross square feet and is utilized by the SC State Senate for offices, conference and meeting room space, and include 166 employees plus any public visitors. The Phase I estimated cost to complete the project has increased from the 2019 CPIP due to the addition of a Construction Manager as Agent, additional unanticipated asbestos abatement costs, higher than expected replacement window costs, and increased staging costs. The agency estimates total project costs at \$1,641,52.

- (g) Summary 2-2020: JBRC Item 14. (D50) Department of Administration
Project: 6032, SC Data Center – B Side – Uninterrupted Power Source (UPS) Upgrade
Included in Annual CPIP: Yes – 2019 CPIP Priority 31 of 31 in FY20 (estimated at \$2,100,000)

JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

<u>Source of Funding</u> <u>Detail</u>	<u>Original</u> <u>Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, DTO Revenue	-	-	-	30,420	30,420
All Sources	=	=	=	<u>30,420</u>	<u>30,420</u>

Funding Source: \$30,420 Other, DTO Revenue, which are revenues from Network Services, Shared Services, and Print/Mail Services that are collected from customers which are comprised of state agencies, higher education, counties and other local subdivisions.

Request: Establish project and budget for \$30,420 (Other, SC Division of Technology Revenue Funds) to obtain a preliminary design and cost estimate for an upgrade to the Uninterrupted Power Source (UPS) at the SC Data Center located on Broad River Road in Columbia. 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. The building was constructed in 1999 and is 20 years old. The Data Center is 76,021 gross square feet and the 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 facility houses the SC Division of Technology which has 205 employees, customers and visitors each day. The agency estimates total project costs at \$2,028,000.

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SUBJECT: Permanent Improvement Projects

- (h) Summary 2-2020: JBRC Item 18. (D50) Department of Administration
 Project: 6036, Wade Hampton Building – Roof Replacement and Parapet Wall
 Reinforcement
 Included in Annual CIP: Yes – 2019 CIP Priority 10 of 31 in FY20 (estimated at
 \$1,600,000)

JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

<u>Source of Funding</u> <u>Detail</u>	<u>Original</u> <u>Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State	-	-	-	69,650	69,650
All Sources	-	-	-	<u>69,650</u>	<u>69,650</u>

Funding Source: \$69,650 Appropriated State Funds.

Request: Establish project and budget for \$69,650 (Appropriated State Funds) to obtain an A&E preliminary design and cost estimate 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. The Phase I amount is 5.12% of the estimated cost to complete the project and the additional amount will be used to procure a Construction Manager-Agent. The existing roof is a BUR with aggregate surface. The roof is forty-two years of age and is experiencing multiple leaks. It is not eligible for elastomeric coating. 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. The roof will be replaced with a single-ply membrane but that will depend on the A&E recommendation from the preliminary design. The new roof will come with a minimum 20-year warranty. The 80-year-old building was constructed in 1938 and is 121,141 gross square feet with the roof being 19,560 gross square feet. It is occupied by 275 employees plus visitors. The agency estimates total project costs at \$1,360,000.

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- (i) Summary 2-2020: JBRC Item 23. (J12) Department of Mental Health
 Project: 9780, State Veterans' Nursing Home Construction
 Included in Annual CPIP: Yes – 2019 CPIP Priority 1 of 9 in FY22 (estimated at
 \$54,100,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Capital Improvement & Maintenance	-	-	-	1,234,500	1,234,500
All Sources	=	=	=	<u>1,234,500</u>	<u>1,234,500</u>

Funding Source: \$1,234,500 Other, Capital Improvement & Maintenance Funds, authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance.

Request: Establish project and budget for \$1,234,500 (Other, Capital Improvement & Maintenance Funds) to establish Phase I design to conduct studies necessary to support the state strategy for development of additional State Veterans Nursing homes, including the Central location, and to complete all requirements necessary to submit a federal funding grant application to the Veteran's Administration by April 15, 2020. The FY18 Veterans Affairs Appropriations Bill provided federal grant 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. Furthermore, the department has been directed to evaluate needs and feasibility of construction of one or more additional regional homes. A preliminary site has been identified for the Central location in Sumter, with a design replicable in one or more locations based on the state's strategy to develop additional veterans' nursing homes. The new facility will be 148,000 square feet and have 104 residents, plus 100 staff. The estimated cost to complete the project has increased by from the 2019 CPIP because the CPIP amount was based off the previously

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established project for the Central Region (#9737). It has been six (6) years since that estimate was established and a 6% escalation was calculated based on a 2025 bid cost estimate date. The agency estimates total project costs at \$82,300,000. (See attachment 2 for additional annual operating costs.)

- (j) Summary 2-2020: JBRC Item 24. (L12) John de la Howe School
 Project: 9520, L.S. Brice School Renovation
 Included in Annual CIP: Yes – 2019 CIP Priority 8 of 13 in FY20 (estimated at \$5,827,112)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

<u>Source of Funding</u> <u>Detail</u>	<u>Original</u> <u>Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State	-	-	-	87,406	87,406
All Sources	=	=	=	<u>87,406</u>	<u>87,406</u>

Funding Source: \$87,406 Appropriated State Funds.

Request: Establish project and budget for \$87,406 (Appropriated State Funds) to begin preliminary A&E design services and cost estimate to renovate the existing L.S. Brice High School building to meet current building code standards and to meet current ADA accessibility code requirements. In April 2019 a code analysis was conducted by OSE and JDLH management. ADA and other code violations were identified during the walk through. The school is scheduled to re-open for students in August 2021 and a total renovation is required. The building is 43 years old and 45,000 square feet. It will be utilized by 250 students, 14 faculty and 6 staff. The agency estimates total project costs at \$5,827,112. (See attachment 3 for additional annual operating costs.)

- (k) Summary 2-2020: JBRC Item 25. (N12) Department of Juvenile Justice
 Project: 9608, Columbia Campus Electrical Grid Upgrade and Transfer of Responsibility
 Included in Annual CIP: Yes – 2019 CIP Priority 1 of 1 in FY20 (estimated at \$1,320,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

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<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Appropriated State, FY19 Carryforward	-	-	-	19,800	19,800
All Sources	-	-	-	<u>19,800</u>	<u>19,800</u>

Funding Source: \$19,800 Appropriated State, FY19 Carryforward Funds.

Request: Establish project and budget for \$19,800 (Appropriated State, FY19 Carryforward Funds) to bring the grid up to current standards and provide a safer and energy efficient system. The electrical system is currently owned and maintained by SCDJJ for all the Columbia area locations on Broad River Road and Shivers Road. The system has not been upgraded to meet current standards and as a result, the cost to maintain is great. The outage of power on the grid for the critical work has been impacted many times by the inability to repair promptly. Dominion Energy (formerly SCE&G) has substations on Broad River Road and access to the substations is superior to any option. The facility will be utilized by approximately 20 individuals. The agency estimates total project costs at \$1,320,000.

- (I) Summary 2-2020: JBRC Item 27. (P28) Department of Parks, Recreation & Tourism
Project: 9778, North Mansion Complex Improvements
Included in Annual CPIP: Yes – 2019 CPIP Priority 8 of 9 in FY20 (estimated at \$8,300,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
FY19 Carryforward	-	-	-	250,000	250,000
All Sources	-	-	-	<u>250,000</u>	<u>250,000</u>

Funding Source: \$250,000 FY19 Carryforward Funds.

Request: Establish project and budget for \$250,000 (FY19 Carryforward Funds) to begin pre-design to make repairs to the grounds and facilities. The Phase I amount is 2.99% of the estimated cost to complete the project and the additional amount will be used to complete a structural assessment of the historic buildings before plans can be drawn, which includes facilities that are on the National Register as well as addressing

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electrical, plumbing, and ADA accessibility needs. Phase I will begin planning on the gardens, as well as contract for the structural assessment of the facilities. The buildings included in the project are the 10,520 square foot Lace House constructed in 1854, the 7,070 square foot Boylston House constructed in 1830, and the 1,500 square foot Carriage House constructed in 1830. The property receives 100,000 visitors per year. The agency estimates total project costs at \$8,350,000.

Establish Construction Budget

- (m) Summary 2-2020: JBRC Item 29. (H09) The Citadel
 Project: 9618, Daniel Library HVAC Replacement
 Included in Annual CIP: Yes – 2019 CIP Priority 1 of 6 in FY20 (estimated at \$3,050,000)
 JBRC/SFAA Phase I Approval: October 2018 (estimated at \$2,770,000)

CHE Recommended Approval: 8/1/19

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Gifts	41,550	-	41,550	3,008,450	3,050,000
All Sources	<u>41,550</u>	<u>-</u>	<u>41,550</u>	<u>3,008,450</u>	<u>3,050,000</u>

Funding Source: \$3,050,000 Other, Gifts, which are funds donated to The Citadel.

Request: Increase budget to \$3,050,000 (add \$3,008,450 Other, Gift Funds) to begin Phase II final design and construction for the replacement of the existing HVAC system at Daniel Library. The scope of work includes asbestos abatement and replacement of the storm lines, chilled water lines, five new air-handling units and controls, and the installation of a new specialized air handling unit in the archive area. Daniel Library is a 3-story masonry building constructed in 1959 and is approximately 56,075 square feet. The original HVAC systems are still in operation although they had an expected lifespan of only 20 years. The building houses the library, Citadel museum, faculty and staff offices, the rare book room and archives. The existing HVAC system is in poor condition with antiquated controls which are beyond repair. Per the college, the deteriorated condition of the HVAC systems has a negative effect on interior air quality for the students and faculty. System failures would preclude the use of the building and cause damage to the contents and historic artifacts due to humidity and temperature. This project is needed to provide proper heating and air-conditioning in all

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three floors of the building. The library is available to 3,300 students, 1,000 employees, and countless visitors. The estimated cost to complete the project has increased from the Phase I submission due to increasing the construction contingency from 5% to 10% and adding costs to cover new International Building Codes (IBC) being adopted prior to construction starting. The agency estimates total project costs at \$3,050,000. (See attachment 4 for additional annual operating cost savings.) The agency anticipates execution of the construction contract in September 2020 and completion of construction in May 2021.

- (n) Summary 2-2020: JBRC Item 30. (H51) Medical University of South Carolina Project: 9848, Basic Science Building Air Handler Units 4 and 4A Replacement Included in Annual CIP: Yes – 2019 CIP Priority 1 of 5 in FY20 (Capital Renewal Projects estimated at \$10,000,000 – Air Handler Units 4 and 4A estimated at \$1,200,000) JBRC/SFAA Phase I Approval: May 2019 (estimated at \$1,200,000)

CHE Recommended Approval: 8/1/19

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, FY19 Deferred Maintenance	18,000	-	18,000	1,182,000	1,200,000
All Sources	<u>18,000</u>	<u>=</u>	<u>18,000</u>	<u>1,182,000</u>	<u>1,200,000</u>

Funding Source: \$1,200,000 Other, FY19 Deferred Maintenance, which are investment fund deferred maintenance funds. The university adopted RMC (Responsibility Centered Management) in fiscal year 2013 as the budget model. This budgeting model allocates all state appropriations and tuition/fees to the colleges and allocates all grant indirect cost recoveries to the grantee's college or unit. MUSC does not charge a separate plant improvement fee to the students. Under RCM, a Strategic Investment Fund has been created based on a percentage tax on certain college revenue streams. Approximately \$4 million of the Strategic Investment Fund retained by central administration is used to fund facilities and deferred maintenance. The source of funding varies each year and is dependent on what each college has identified as available funding.

Request: Increase budget to \$1,200,000 (add \$1,182,000 FY19 Deferred Maintenance Funds) to proceed with Phase II full design and construction to replace the Air Handler Units #4 and #4A in the Basic Science Building. Both units are 23+ years old, past their useful life and need to be replaced. It is anticipated that these units can be replaced

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with a single larger unit. The building is 47 years old. There are 8 total air handler units in the building, all varying ages. The 335,663 square foot building houses 300 to 400 faculty and staff. Additionally, the building is a major academic building with 400 to 500 students entering it daily. The 2 air handler units being replaced serve approximately 11,700 square feet of the facility. The agency estimates total project costs at \$1,200,000. The agency anticipates execution of the construction contract in February 2020 and completion of construction in November 2020.

- (o) Summary 2-2020: JBRC Separate Item. (H12) Clemson University
 Project: 9940, Daniel Hall Renovation and Expansion
 Included in Annual CIP: Yes – 2019 CIP Priority 1 of 7 in FY20 (estimated at \$60,000,000)
 JBRC/SFAA Phase I Approval: June 2018 (estimated at \$45,000,000)

CHE Recommended Approval: 9/5/19

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Institution Bonds	-	-	-	30,000,000	30,000,000
Other, Maintenance & Stewardship	1,000,000	-	1,000,000	28,730,000	29,730,000
All Sources	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>58,730,000</u>	<u>59,730,000</u>

Funding Source: \$30,000,000 Institution Bonds. \$29,730,000 Other, Maintenance & Stewardship Funds, which are tuition, matriculation and other debt retirement and plant transfers revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use.

Request: Increase budget to \$58,730,000 (add \$30,000,000 Institution Bonds and \$28,730,000 Other, Maintenance & Stewardship Funds) to establish the Phase II construction budget to renovate the 68,000 square foot Daniel Hall general classroom building and expand the facility by approximately 60,000 square feet. As Phase I design progressed, major issues were uncovered that were not included in the Phase I estimate that must be addressed and require an increase in the project cost. Site complexity issues include the need for connections at multiple elevations and for reconfiguring a portion of the Cooper Bridge to achieve ADA accessibility and for additional utility work needed to run new utilities not anticipated. Renovation costs will be higher due

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to higher construction escalation, particularly in the trades, and the structural limitations of the existing building, which prevent installing a new HVAC system in the current space or on the roof. These limitations were not identified in the feasibility study and require a west addition, which will accommodate the needed HVAC equipment, enhanced ADA accessibility, and needed collaborative study spaces on each floor limited by the existing facility's configuration and design. Other additional costs result from increases in the cost of steel and additional audiovisual and other equipment needed for modern classrooms. As the project progressed, the university continued to closely evaluate the needs of the project to provide the best value. As a result, the expansion has been reduced to 60,000 square feet. The renovations will include upgrading the HVAC and fire protection systems, improving accessibility, replacing exterior doors, improving the auditorium and repainting classroom walls. The expansion will include constructing new classrooms, a new 220-seat auditorium, and informal learning spaces. The project is designed to meet two Green Globes certification standards with anticipated energy savings of \$3,026,351 over a 30-year period. Daniel Hall was constructed in 1969 and has had minimal renovations since. It is the principal classroom building for and affects nearly every undergraduate student during their enrollment. While Daniel Hall has been well maintained and is in good condition, a complete renovation has not been possible due to heavy course loads and therefore, it is functionally deficient. The expansion will free up the current space and allow renovation without having a detrimental impact on classroom availability and utilization. Since Daniel Hall's construction, enrollment has increased from 6,700 to more than 25,000 students and is projected to grow another 20% over the next ten years. Expansion is needed to support growing enrollment and to address limited classroom availability and high utilization throughout campus. It will also allow for continuing core undergraduate instruction in an effective learning environment without disruptions from the existing facility's renovation. The agency estimates total project costs at \$59,730,000. (See attachment 5 for additional annual operating costs.) The agency anticipates execution of the construction contract in September 2020 and completion of construction in May 2023.

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- (p) Summary 2-2020: JBRC Separate Item. (H51) Medical University of South Carolina Project: 9846, New College of Pharmacy Addition and Innovative Instructional Redesign Renovation

Included in Annual CIP: Yes – 2019 CIP Priority 2 of 5 in FY20 (estimated at \$53,000,000)

JBRC/SFAA Phase I Approval: January 2019 (estimated at \$53,000,000)

CHE Recommended Approval: 9/5/19

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Institution Bonds	-	-	-	18,000,000	18,000,000
FY20 Capital Reserve	-	-	-	10,000,000	10,000,000
Other, Institutional Capital Project	1,325,000	-	1,325,000	9,675,000	11,000,000
Other, Clinical Revenue	-	-	-	5,000,000	5,000,000
Other, Capital Project Reserves	-	-	-	10,000,000	10,000,000
Other, Gifts & Donations	-	-	-	4,000,000	4,000,000
All Sources	<u>1,325,000</u>	<u>-</u>	<u>1,325,000</u>	<u>56,675,000</u>	<u>58,000,000</u>

Funding Source: \$18,000,000 Institution Bonds. \$10,000,000 FY20 Capital Reserve Funds. \$11,000,000 Other, Institutional Capital Project Funds, which are, excess debt service funds and remaining balances from closed projects. \$5,000,000 Other, Clinical Revenue Funds, which are generated by patient services (College of Medicine). \$10,000,000 Other, Capital Project Reserve Funds, which are from the sale of property. \$4,000,000 Other, Gifts & Donation Funds, which are from College of Pharmacy fundraising.

Request: Increase Budget to \$58,000,000 (add \$18,000,000 Institution Bonds, \$10,000,000 FY20 Capital Reserve, \$9,675,000 Other, Institutional Capital Project, \$5,000,000 Other, Clinical Revenue, \$10,000,000 Other, Capital Project Reserves, and \$4,000,000 Other, Gifts & Donation Funds) to construct an approximately 26,000 square foot addition to the Basic Science Building for relocation of the College of Pharmacy. The project will also renovate approximately 13,000 square feet of classroom space in the 48-year-old Basic Science Building and 68,000 square feet of space on all four floors of the 47-year-old

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Colbert Library. The goal of the project is to provide state-of-the-art academic and student support space for the College of Pharmacy as well as new flexible classroom and instructional space for collaborative 21st century pedagogy across the six MUSC colleges. This project was first conceptualized as a new building to replace the existing College of Pharmacy (built in 1939 with a deferred maintenance need of >\$5 million), to also provide expanded College of Medicine student support space to comply with accreditation mandates, and to provide much needed classroom and instructional space for the entire university. The professional accreditation organization for the College of Pharmacy has noted the quality of the space for the college as inadequate during the last two accreditation reports for MUSC. Completion of a feasibility study that explored the cost of a new building versus renovating existing under-utilized space demonstrated that they could accomplish all their programmatic needs at a much lower cost. The Colbert Library portion of the project will be completed to meet Green Globes certification standards with \$139,541 in anticipated energy savings over the next 30 years. The agency estimates total project costs at \$58,000,000. The agency anticipates execution of the construction contract in February 2020 and completion of construction in April 2021.

- (q) Summary 2-2020: JBRC Item 31. (H59) Tri-County Technical College
Project: 6150, Pendleton Campus Fulp Hall Renovation
Included in Annual CPIP: Yes – CPIP Priority 1 of 3 in FY20 (estimated at \$1,400,000)
JBRC/SFAA Phase I Approval: June 2019 (estimated at \$1,400,000)

CHE Recommended Approval: 8/1/19

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Accumulated Maintenance Reserve	20,000	-	20,000	1,380,000	1,400,000
All Sources	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>1,380,000</u>	<u>1,400,000</u>

Funding Source: \$1,400,000 Other, Accumulated Maintenance Reserve Fund, which is accumulated fund balance transfer to the Plant fund (i.e. Annual YE Capital Transfer).

Request: Increase budget to \$1,400,00 (add \$1,380,000 Other, Accumulated Maintenance Reserve Fund) to add the construction budget to renovate current academic and faculty office space into two science labs in the existing Health Sciences building, Fulp Hall. Currently there is not

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enough science lab space to accommodate the anticipated growth in the Bridge to Clemson (BTC) program. Fulp was constructed in 1998 with limited additional investment in this facility since it was built. The academic space to be renovated is approximately 3,600 square feet of the 82,250 square foot building. The addition of these science labs can most effectively and efficiently be done by converting academic space and faculty offices in Fulp Hall to labs and relocating the faculty offices. The only alternative would be to find space to add these labs on the Pendleton Campus outside of Fulp, but that option would not reduce the overall cost of the project and would separate these labs from the remainder of the science programs. The Fall 2017 and 2018 enrollment were 800 and 850, respectively, and Fall 2019 enrollment is project to be 900, with continued enrollment growth year over year up to 1,200 over the next 5 years. The agency estimates total project costs at \$1,400,000. The agency anticipates execution of the construction contract in December 2019 and completion of construction in May 2020.

Establish Construction Budget & Revise Scope

- (r) Summary 2-2020: JBRC Separate Item. (H09) The Citadel
 Project: 9611, Academic Building Replacement (Capers Hall)
 Included in Annual CPIP: Yes – 2019 CPIP Priority 4 of 6 in FY20 (estimated at \$67,074,358)
 JBRC/SFAA Phase I Approval: October 2014 (estimated at \$37,000,000)
 JBRC/SFAA Phase I Increase Approval: October 2017 (estimated at \$51,141,915)

CHE Recommended Approval: 9/5/19

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Institution Bonds	-	-	-	38,397,726	38,397,726
Excess Debt Service	-	-	-	3,382,443	3,382,443
FY20 Capital Reserve	-	-	-	7,500,000	7,500,000
Other, Capital Improvement Fee	250,000	517,129	767,129	880,306	1,647,435
Other, Gifts	-	-	-	3,500,000	3,500,000
Other, Institutional Capital Project	-	-	-	12,646,754	12,646,754
All Sources	<u>250,000</u>	<u>517,129</u>	<u>767,129</u>	<u>66,307,229</u>	<u>67,074,358</u>

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Funding Source: \$38,397,726 Institution Bonds. \$3,382,443 Excess Debt Service. \$7,500,000 FY20 Capital Reserve. \$880,306 Other, Capital Improvement Fee Funds, which is an institutional fund established to fund capital projects. This fund is a combination of Capers Hall Sinking Funds, Institutional Debt Tuition charged to students in FY18 and Foundation Cash Gifts on hand. \$3,500,000 Other, Gifts. \$12,646,754 Other, Institutional Capital Project Funds, which are excess debt service funds transferred to this account as of June 30 each year.

Request: Revise the scope and increase budget to \$67,074,358 (add \$38,397,726 Institution Bonds, \$3,382,443 Excess Debt Service, \$7,500,000 FY20 Capital Reserve, \$880,306 Other, Capital Improvement Fee, \$3,500,000 Gifts and \$12,646,754 Other, Institutional Capital Project Funds) to establish Phase II to complete design, bidding and construction of the Academic Building replacement at The Citadel. The revised scope for the Academic Building replacement is a planned 107,700 square foot facility to be constructed on The Citadel campus. It will support the School of Humanities & Social Sciences. Planned construction for this facility is the demolition of the 1949 original structure and the 1977 addition, construction of the replacement facility, and then final site development. Capers Hall is a 70,800 square foot facility that has met its intended lifespan, both with respect to the physical structure, and with the ability to meet current teaching standards. The Citadel's traditional teaching style created a total of 35 instructional spaces of varying sizes, with the typical module being approximately 520 square feet to serve 28-30 students. This ratio equates to approximately 20 square feet per student. In comparison, the 107,700 square foot Academic Building replacement will be populated with "flexible" teaching style classrooms with a ratio of approximately 32 square feet per student. A comprehensive plan has been developed in order to perform a single-phase demolition of the most utilized academic facility on The Citadel campus. The plan will include a temporary change to the mess schedule allowing additional class times, the re-purposing of campus space that is currently used for meeting function and social space into classrooms, the temporary conversion of faculty/staff housing to office space, and the contingency of temporary classroom trailers. The Phase I internal estimated cost to complete the project was significantly lower because at that time, the cost estimating was based upon 10% conceptual design drawings which did not provide much definitive nature to a lot of the systems that would be going into the building. The last two (2) years have been spent further developing the building design and

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construction methods with the assistance of their design team and the Construction Manager At Risk firm. With the current construction market, a number of the costs have increased over the last two (2) years. The agency estimates total project costs at \$67,074,358 (See attachment 6 for additional annual operating cost savings. The agency anticipates execution of the construction contract in fall 2020 and completion of construction in January 2023.

Establish Construction Budget & Change Source of Funds

- (s) Summary 2-2020: JBRC Separate Item. (H27) University of South Carolina - Columbia Project: 6133, Campus Village Residential Development
Included in Annual CIP: Yes – 2019 CIP Priority 1 of 14 in FY20 (estimated at \$210,000,000)
JBRC/SFAA Phase I Approval: June 2019 (estimated at \$210,000,000)

CHE Recommended Approval: 9/5/19

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Revenue Bonds	-	-	-	210,000,000	210,000,000
Other, Private Gifts	1,200,000	-	1,200,000	(1,200,000)	-
All Sources	<u>1,200,000</u>	<u>-</u>	<u>1,200,000</u>	<u>208,800,000</u>	<u>210,000,000</u>

Funding Source: \$210,000,000 Revenue Bonds.

Request: Change source of funds and increase budget to \$210,000,000 (add \$210,000,000 Revenue Bonds) to establish the Phase II construction budget to redevelop 9 acres of property owned by the university to include the demolition of Cliff Apartments and the construction of four residential buildings and a parking facility and all associated site work. Campus Village is envisioned as a comprehensive and transformational student residence project achieving numerous campus objectives consistent with the vision of the 2018 Master Plan. These objectives include responding to enrollment growth, eliminating the abatement and maintenance of Cliff Apartments, reimagine a predominantly barren surface parking lot and create a village surrounded by green space, provide on-site amenities, and a site plan which strengthens the South Marion Street pedestrian promenade connecting Campus Village and the Athletics Village. Four residential buildings totaling 525,000 gross square feet and a 175-car transportation hub/parking facility will be constructed for a total gross constructed of approximately 636,090 gross

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square feet. The facilities will be designed and constructed to meet two Green Globes certification standards. An estimated 2,000 students will utilize the space associated with the project. The agency estimates total project costs at \$210,000,000. (See attachment 7 for additional annual operating cost savings.) The agency anticipates execution of the construction contract in May 2020 and completion of construction in July 2022.

Phase II Increase

- (t) Summary 2-2020: JBRC Item 37. (H51) Medical University of South Carolina Project: 9842, Clinical Sciences Building High Risk Infectious Disease (HRID) Unit Included in Annual CIP: Yes – 2019 CIP Priority 5 of 5 in FY20 (estimated at \$2,500,000)

JBRC/SFAA Phase I Approval: March 2018 (estimated at \$2,400,000)

JBRC/SFAA Phase II Approval: June 2018 (estimated at \$1,865,000)

CHE Recommended Approval: 9/5/19

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Federal, ASPR Grant	36,000	1,829,000	1,865,000	635,000	2,500,000
All Sources	<u>36,000</u>	<u>1,829,000</u>	<u>1,865,000</u>	<u>635,000</u>	<u>2,500,000</u>

Funding Source: \$2,500,000 Federal, Office of the Assistant Secretary for Preparedness and Response (ASPR) Grant Funding.

Request: Increase budget to \$2,500,000 (add \$635,000 Federal, Office of the Assistant Secretary for Preparedness and Response Grant Funds) to cover bids that came in significantly over the schematic design estimate. This project will create a High-Risk Infectious Disease (HRID) unit in the Clinical Sciences Building (CSB). This specialized medical unit will allow for isolation treatment for highly infectious diseases. This unit will be constructed in approximately 3,500 square feet of vacated space on the first floor of the 273,899 square foot CSB. The HRID unit will be one of the few specialized units in the country, and the only one in South Carolina, equipped to address highly infectious diseases. When not in active use for patients, the space will be used for mock training to prepare providers to handle high risk cases. The building is 42 years old and the new unit will be occupied by up to 50 faculty and staff during an infectious disease event and

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numerous faculty and staff will utilize the space for training. The agency estimates total project costs at \$2,500,000. The agency anticipates completion of construction in March 2020.

Phase II Increase & Change Source of Funds

- (u) Summary 2-2020: JBRC Item 40. (P28) Department of Parks, Recreation & Tourism Project: 9754, Hunting Island State Park Beach Restoration
Included in Annual CIP: Yes – 2019 CIP Priority 1 of 9 in FY20 (estimated at \$14,000,000)
JBRC/SFAA Phase I Approval: April 2015 (estimated at \$7,000,000)
JBRC/SFAA Phase II Approval: June 2017 (estimated at \$12,055,904)

CHE Recommended Approval: N/A

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
FY19 Capital Reserve	-	10,703,486	10,703,486	3,296,514	14,000,000
Other, Park Revenue	105,000	-	105,000	(105,000)	-
Other, Motion Picture Incentive	-	1,247,418	1,247,418	(1,247,418.00)	-
All Sources	<u>105,000</u>	<u>11,950,904</u>	<u>12,055,904</u>	<u>1,944,096</u>	<u>14,000,000</u>

Funding Source: \$14,000,000 FY19 Capital Reserve Funds.

Request: Change source of funds and increase budget to \$14,000,000 (add \$1,944,096 FY19 Capital Reserve Fund) to cover increased costs. This project includes nourishment of the beach and construction of 2 additional groins at Hunting Island State Park. The beach was last nourished in 2007 and six groins were constructed in 2008. The project has performed as designed and slowed erosion significantly. Additional groins and nourishment are needed to maintain a safe high tide beach for park visitors. When brought for Phase I, the estimate for the total projected cost of the project was \$7,000,000. Additional erosion has occurred since the Phase I submission for this project due to Hurricane Joaquin in October 2015 and Hurricane Matthew in October 2016. It is anticipated that \$1,247,418 will be reimbursed by FEMA. The agency estimates total project costs at \$14,000,000. The agency anticipates completion of construction in May 2020.

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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

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code 1115 Name College of Charleston

2. PROJECT Project # 9668 Name McAlister Residence Hall 2021 Renovation

3. ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS (Check whether reporting costs or savings.)

☐

COSTS

☒

SAVINGS

☐

NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) FY 21-22	\$	\$	\$ 15,214.00	\$ 15,214.00
2) FY 22-23	\$	\$	\$ 15,214.00	\$ 15,214.00
3) FY 23-24	\$	\$	\$ 15,214.00	\$ 15,214.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).
 Cost savings for maintenance and utilities will be returned to the Housing Revenues Fund.

6. Will the additional costs be absorbed into your existing budget?
 If no, how will additional funds be provided?

☐

YES

☒

NO

Not applicable, since additional costs are not anticipated.

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>		<u>AMOUNT</u>
1.	Decreased electrical use (HVAC and LED lighting)	\$7,607.00
2.	Decreased HVAC repair/replacement costs	7,607.00
3.		
4.		
5.		
6.		
7.		
8.		
TOTAL		\$15,214.00

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 0

9. Submitted By: Pam Patrick EVP for Business Affairs / CFO
 Signature of Authorized Official and Title

6/11/16
 Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code J12 Name South Carolina Department of Mental Health

2. PROJECT 9780
 Project # 9780 Name State Veterans' Nursing Home Construction Sumter

3. ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS. (Check whether reporting costs or savings.)

☒ COSTS ☐ SAVINGS ☐ NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2028	\$ 5,938,358.00	\$ 7,241,900.00	\$ 1,303,542.00	\$ 14,483,800.00
2) 2029	\$ 6,116,509.00	\$ 7,459,157.00	\$ 1,342,648.00	\$ 14,918,314.00
3) 2030	\$ 6,300,004.00	\$ 7,682,932.00	\$ 1,382,928.00	\$ 15,365,864.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).
 Co-pays and Medicaid/Medicare

6. Will the additional costs be absorbed into your existing budget? ☐ YES ☒ NO
 If no, how will additional funds be provided?
 Additional State appropriations.

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>		<u>AMOUNT</u>
1. Contractor Operation Costs		\$14,483,800.00
2. _____		
3. _____		
4. _____		
5. _____		
6. _____		
7. _____		
8. _____		
TOTAL		\$14,483,800.00

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. _____

9. Submitted By:  Director, Physical Plant Services 08/22/2019
 Signature of Authorized Official and Title Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code L120 Name John de la Howe School
2. PROJECT 9520 Project # Name L.S. Brice School Renovation A/E

3. ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS. (Check whether reporting costs or savings.)

☒ COSTS ☐ SAVINGS ☐ NO CHANGE

- 4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 22-23	\$ 442,500.00	\$	\$	\$ 442,500.00
2) 23-24	\$ 442,500.00	\$	\$	\$ 442,500.00
3) 24-25	\$ 442,500.00	\$	\$	\$ 442,500.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).
 N/A

6. Will the additional costs be absorbed into your existing budget? ☒ YES ☐ NO
 If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>		<u>AMOUNT</u>
1. Additional Utilities		\$35,000.00
2. Maintenance/cleaning supplies		7,500.00
3. Salaries/Fringes		400,000.00
4. _____		
5. _____		
6. _____		
7. _____		
8. _____		
TOTAL		\$442,500.00

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. N/A

9. Submitted By: *W. K. Quinn* Director of Facilities
 Signature of Authorized Official and Title

August 21, 2019
 Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code H09 Name The Citadel, The Military College of South Carolina
2. PROJECT Project # 9618 Name Daniel Library HVAC Replacement

3. ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS. (Check whether reporting costs or savings.)

☐ COSTS ☒ SAVINGS ☐ NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 21-22	\$ (6,900.00)	\$ 0.00	\$ 0.00	\$ (6,900.00)
2) 22-23	\$ (6,900.00)	\$ 0.00	\$ 0.00	\$ (6,900.00)
3) 23-24	\$ (6,900.00)	\$ 0.00	\$ 0.00	\$ (6,900.00)

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

6. Will the additional costs be absorbed into your existing budget? ☒ YES ☐ NO
 If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. New HVAC units are more efficient - Savings	\$7,000.00
2. Transition from water cooled to air cooled chillers - Costs	(3,000.00)
3. Additional units for Museum and Archives - Costs	(3,000.00)
4. Increased outside airflow to meet Code - Costs	(1,000.00)
5. Maintenance & repair to existing units - Savings	(6,900.00)
6.	
7.	
8.	
TOTAL	(\$6,900.00)

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 0

9. Submitted By: COL Charles L. Cansler; VP for Finance
 Signature of Authorized Official and Title

6/12/19
 Date

COL Charles L. Cansler
The Citadel Military College
VP for Finance & Business

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code H12 Name Clemson University

2. PROJECT
Project # 9940 Name Daniel Hall Renovation and Expansion

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

☒ COSTS ☐ SAVINGS ☐ NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1) Fiscal Year	(2) General Funds	(3) Federal	(4) Other	(5) Total
1) FY 21-22	\$	\$	\$390,000.00	\$390,000.00
2) FY 22-23	\$	\$	\$401,700.00	\$401,700.00
3) FY 23-24	\$	\$	\$413,751.00	\$413,751.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

University Operating Funds

6. Will the additional costs be absorbed into your existing budget? ☒ YES ☐ NO
If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Utilities</u>	<u>\$195,000.00</u>
2. <u>Maintenance</u>	<u>\$195,000.00</u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$390,000.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. _____

9. Submitted By: Anthony E. Wagner 7-25-19
Signature of Authorized Official and Title Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code H09 Name The Citadel

2. PROJECT Project # 9611 Name Academic Building Replacement (Capers Hall)

3. ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS. (Check whether reporting costs or savings.)



COSTS



SAVINGS



NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2023-2024	\$ 20,000.00	\$ 0.00	\$ 0.00	\$ 20,000.00
2) 2024-2025	\$ 21,000.00	\$ 0.00	\$ 0.00	\$ 21,000.00
3) 2025-2026	\$ 22,000.00	\$ 0.00	\$ 0.00	\$ 22,000.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

6. Will the additional costs be absorbed into your existing budget?
If no, how will additional funds be provided?



YES



NO

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

COST FACTORS

AMOUNT

1. Utilities	(\$29,000.00)
2. Insurance	19,000.00
3. Maintenance	14,000.00
4. Supplies	16,000.00
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	\$20,000.00

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. N/A

9. Submitted By: Col Charles L. Canler COL Charles L. Canler | VP for F&B
Signature of Authorized Official and Title

7/25/2015
Date

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code H27 Name University of South Carolina

2. PROJECT 6133
Project # 6133 Name Campus Village Residential Development

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

☒ X COSTS

☐ SAVINGS

☐ NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2022-23 (12 months)	\$	\$	\$3,827,021	\$3,827,021
2) 2023-24	\$	\$	\$3,922,697	\$3,922,697*
3) 2024-25	\$	\$	\$4,020,764	\$4,020,764*

*Totals include 2.5% annual inflation

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

Housing Revenue

6. Will the additional costs be absorbed into your existing budget?
If no, how will additional funds be provided?

☐ YES

☐ X NO

The new beds provided by the project will produce revenue to absorb the operating expenses.

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>		<u>AMOUNT</u>
1. Utilities*		\$889,726
2. Maintenance, Custodial and Annual Occupancy Preparation*		\$1,129,371
3. Grounds Maintenance		33,000
4. Management Fees (external management, not state employees)*		\$916,424
5. USC Personnel*		\$858,500
6.		
7.		
8.		

* Costs reflect the estimated net costs after removing 263 existing beds at Cliff Apartments (15% of 1808 new beds)
TOTAL align="right">\$3,827,021

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. Maintenance positions are not state employees and are included in management cost.
1 new USC-employed grounds keeper position needed. 64 USC Resident mentors and 4 USC Resident Life Coordinators.

9. Submitted By: [Signature] University Architect
Signature of Authorized Official and Title

6/25/2019
Date

Permanent Improvement Project Information for October 15, 2019 SFAA Meeting

Agency/ Project No.	Agency/Project Name	Original		Date of		Phase I		Included in CIP	Total Projected Project Cost
		Approved Budget	Approval	Original Approval	Approval	Amount	Approval		
H12-9943	Wastewater Treatment Plant Improvements	N/A	N/A	N/A	N/A	\$150,000	N/A	Yes	\$8,000,000
H15-9668	McAlister Residence Hall 2021 Renovation	N/A	N/A	N/A	N/A	\$480,000	N/A	Yes	\$32,000,000
H18-9580	Athletics Renovations/Improvements - GAC Fieldhouse & Smith University Center	N/A	N/A	N/A	N/A	\$48,000	N/A	Yes	\$3,200,000
H59-6151	Pendleton Campus Miller Hall Renovation	N/A	N/A	N/A	N/A	\$22,500	N/A	Yes	\$1,500,000
D50-6023	Blatt Building - Replace Windows	N/A	N/A	N/A	N/A	\$64,051	N/A	Yes	\$1,329,091
D50-6030	Marion Gressette Building - Replace Windows	N/A	N/A	N/A	N/A	\$68,050	N/A	Yes	\$1,641,522
D50-6032	SC Data Center - B Side - Uninterrupted Power Source (UPS) Upgrade	N/A	N/A	N/A	N/A	\$30,420	N/A	Yes	\$2,028,000
D50-6036	Wade Hampton Building - Roof Replacement and Parapet Wall Reinforcement	N/A	N/A	N/A	N/A	\$69,650	N/A	Yes	\$1,360,000
J12-9780	State Veterans' Nursing Home Construction - Sumter	N/A	N/A	N/A	N/A	\$1,234,500	N/A	Yes	\$82,300,000
L12-9520	L.S. Brice School Renovation	N/A	N/A	N/A	N/A	\$87,406	N/A	Yes	\$5,827,112
N12-9608	Columbia Campus Electrical Grid Upgrade and Transfer of Responsibility	N/A	N/A	N/A	N/A	\$19,800	N/A	Yes	\$1,320,000
P28-9778	North Mansion Complex Improvements	N/A	N/A	N/A	N/A	\$250,000	N/A	Yes	\$8,350,000
H09-9618	Daniel Library HVAC Replacement	\$41,550	10/23/18	10/23/18	10/23/18	\$41,550	10/23/18	Yes	\$3,050,000
H51-9848	Basic Science Building Air Handler Units 4 and 4A Replacement	\$18,000	5/14/19	5/14/19	5/14/19	\$18,000	5/14/19	Yes	\$1,200,000
H12-9940	Daniel Hall Renovation and Expansion	\$1,000,000	6/27/18	6/27/18	6/27/18	\$1,000,000	6/27/18	Yes	\$59,730,000
H51-9846	New College of Pharmacy Addition and Innovative Instructional Redesign Renovation	\$1,325,000	1/29/19	1/29/19	1/29/19	\$1,325,000	1/29/19	Yes	\$58,000,000
H59-6150	Pendleton Campus Fulp Hall Renovation	\$20,000	6/18/19	6/18/19	6/18/19	\$20,000	6/18/19	Yes	\$1,400,000
H09-9611	Academic Building Replacement (Capers Hall)	\$250,000	10/14/14	10/14/14	10/17/17	\$767,129	10/17/17	Yes	\$67,074,358
H27-6133	Campus Village Residential Development	\$1,200,000	8/13/19	8/13/19	8/13/19	\$1,200,000	8/13/19	Yes	\$210,000,000
H51-9842	Clinical Sciences Building High Risk Infectious Disease (HRID) Unit	\$36,000	3/8/18	3/8/18	3/8/18	\$36,000	3/8/18	Yes	\$2,500,000
P24-9754	Hunting Island State Park Restoration	\$105,000				\$105,000		Yes	\$14,000,000

**Additional Information on Funding Sources for
Higher Education Permanent Improvement Projects**

Item (a) – Clemson University – Wastewater Treatment Plant Improvements

The source of funds for pre-design is Maintenance & Stewardship Funds, which are tuition, matriculation and other debt retirement and plant transfer revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use.

The source of funds for construction is anticipated to be State Institution Bonds.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (b) – College of Charleston – McAlister Residence Hall 2021 Renovation

The source of funds for pre-design is Housing Revenue, which is a self-supporting auxiliary enterprise generated primarily through the Student Housing Fee paid only by students who reside in on-campus housing. The Student Housing Fee is on a sliding scale based on the amenities, number of beds per room, and location of the residence hall or historic home.

The source of funds for construction is anticipated to be Housing Revenue and Capital Project Institutional Funds.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (c) – Francis Marion University – Athletics Renovations/Improvements – GAC Fieldhouse & Smith University Center

The source of funds for pre-design is FMU Maintenance Reserve Funds, which is made up of interest earnings, \$100 per semester facility fee (per Full-Time Student) and \$100 per semester portion of student tuition approved by the FMU Board of Trustees are designated for earmarked for this fund.

The source of funds for construction is anticipated to be Revenue Bonds.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (d) – Tri-County Technical College – Pendleton Campus Miller Hall Renovation

The source of funds for pre-design is Accumulated Maintenance Reserve Funds, which are fund balance transfers to the Plant Fund through an annual year-end capital transfer.

The source of funds for construction is anticipated to be Accumulated Maintenance Reserve Funds.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (m) – The Citadel – Daniel Library HVAC Replacement

The source of funds for construction is Gifts, which are funds donated to The Citadel.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (n) – Medical University of South Carolina – Basic Science Building Air Handler Units 4 and 4A Replacement

The source of funds for construction is FY19 Deferred Maintenance, which are investment fund deferred maintenance funds. The university adopted RMC (Responsibility Centered Management) in fiscal year 2013 as the budget model. This budgeting model allocates all state appropriations and tuition/fees to the colleges and allocates all grant indirect cost recoveries to the grantee's college or unit. MUSC does not charge a separate plant improvement fee to the students. Under RCM, a Strategic Investment Fund has been created based on a percentage tax on certain college revenue streams. Approximately \$4 million of the Strategic Investment Fund retained by central administration is used to fund facilities and deferred maintenance. The source of funding varies each year and is dependent on what each college has identified as available funding.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (o) – Clemson University – Daniel Hall Renovation and Expansion

The source of funds for construction is Institution Bonds; Maintenance & Stewardship Funds, which are tuition, matriculation and other debt retirement and plant transfers revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (p) – Medical University of South Carolina – New College of Pharmacy Addition and Innovative Instructional Redesign Renovation

The source of funds for construction is Institution Bonds; FY20 Capital Reserve Funds; Institutional Capital Project Funds, which are, excess debt service funds and remaining balances from closed projects; Clinical Revenue Funds, which are generated by patient services (College of Medicine); Capital Project Reserve Funds, which are from the sale of property; Gifts & Donation Funds, which are from College of Pharmacy fundraising.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (q) – Tri-County Technical College – Pendleton Campus Fulp Hall Renovation

The source of funds for construction is Accumulated Maintenance Reserve Fund, which is accumulated fund balance transfer to the Plant fund (i.e. Annual YE Capital Transfer).

The University reports that no increase in any student fee or tuition will be required for this project.

Item (r) – The Citadel – Academic Building Replacement (Capers Hall)

The source of funds for construction is institution Bonds; Excess Debt Service; FY20 Capital Reserve; Capital Improvement Fee Funds, which is an institutional fund established to fund capital projects. This fund is a combination of Capers Hall Sinking Funds, Institutional Debt Tuition charged to students in FY18 and Foundation Cash Gifts on hand; Gifts; Institutional Capital Project Funds, which are excess debt service funds transferred to this account as of June 30 each year.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (s) – University of South Carolina – Columbia – Campus Village Residential Development

The source of funds for construction is Revenue Bonds.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (t) – Medical University of South Carolina – Clinical Sciences Building High Risk Infectious Disease (HRID) Unit

The source of funds for construction is Federal, Office of the Assistant Secretary for Preparedness and Response (ASPR) Grant Funding.

The University reports that no increase in any student fee or tuition will be required for this project.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easement

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

- (a) County Location: Chesterfield and Marlboro
From: Department of Administration
To: Duke Energy Progress, LLC
Consideration: \$1,034
Description/Purpose: To grant a 2.67 acre easement for the construction, operation and maintenance of an overhead electric distribution line crossing the Pee Dee River, also known as the Great Pee Dee River, along U.S. Hwy. 1/SC-9 near Wallace, SC. The easement is part of a project to upgrade existing power lines and improve reliability for customers in the area. The term of the easement will be fifty (50) years. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.

AUTHORITY ACTION REQUESTED:

Approve granting the referenced easement 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: October 15, 2019

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:	Chesterfield and Marlboro
	From:	Department of Administration
	To:	Duke Energy Progress, LLC
	Consideration:	\$1,034
	Description/Purpose:	To grant a 2.67 acre easement for the construction, operation and maintenance of an overhead electric distribution line crossing the Pee Dee River, also known as the Great Pee Dee River, along U.S. Hwy. 1/SC-9 near Wallace, SC. The easement is part of a project to upgrade existing power lines and improve reliability for customers in the area. The term of the easement will be fifty (50) years. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
-

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

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

6. List of Supporting Documents:

1. SC Code of Laws Sections 1-11-80 and 1-11-100
 2. Easement Plat
-

SOUTH CAROLINA CODE OF LAWS

SECTION 1-11-80. Board 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.

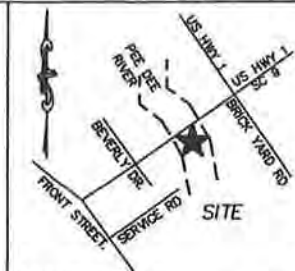
SECTION 1-11-100. Execution of instruments conveying rights of way or easements over marshlands or vacant lands.

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.



DATUM DESCRIPTION

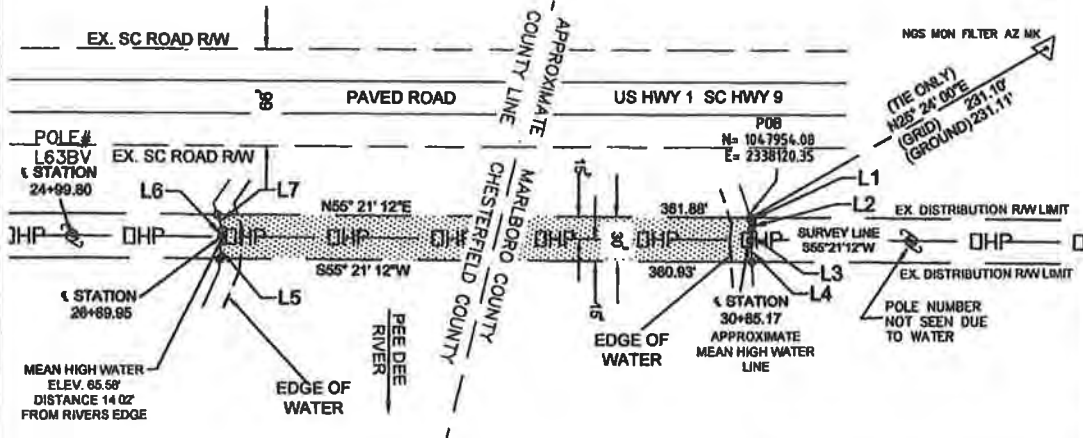
THE COORDINATE SYSTEM DEVELOPED FOR THIS PROJECT IS BASED ON THE STATE PLANE COORDINATES ESTABLISHED BY VRS-RTK GPS METHOD UTILIZING TRIMBLE R10 UNIT AND CONVENTIONAL TRAVERSE FROM GPS CONTROL POINTS. PROJECT COORDINATES ARE BASED ON NGS FILTER AZ MK NAD 83 (2011) STATE PLANE GRID COORDINATES OF NORTHING 1048162.84 (IFT) EASTING: 2338219.48 (IFT) ELEV: 117.25' (FT) NAVD 88 COMBINED GRID FACTOR 0.99995753.



LOCATION MAP NOT TO SCALE



TOTAL AREA IN EASEMENT
2.67 ACRES
116308 SQ. FT



NOTES:

- SURVEYED & MAPPED FOR: DUKE ENERGY PROGRESS, LLC
- GROUND ELEVATION OBTAINED FROM CONVENTIONAL AND GPS SURVEY DONE ON 8/29/18
- ALL DISTANCES ARE HORIZONTAL GROUND DISTANCES UNLESS OTHERWISE NOTED.
- AREA BY COORDINATE COMPUTATION.
- PROPERTY SUBJECT TO ANY VALID & ENFORCEABLE EASEMENTS, RESTRICTIONS & RIGHTS OF WAY OF RECORD.
- SUBJECT PROPERTY IS LOCATED WITHIN FLOOD ZONE AE ELEV 99' AS SHOWN ON FEMA FIRM MAP 45025C0284C EFFECTIVE DATE SEPTEMBER 16, 2011
- MAP REVISED 5-3-19 TO CORRECT MISLABELED DISTANCE ON SOUTHERN EDGE OF EASEMENT AREA.

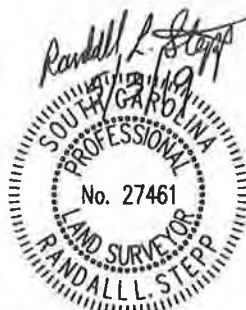
Easement Line Table		
Line #	Length	Direction
L1	2.91	S53° 50' 56"E
L2	4.77	S30° 07' 10"E
L3	7.52	S30° 07' 10"E
L4	15.04	S38° 35' 18"E
L5	15.10	N30° 07' 10"W
L6	4.77	N30° 07' 10"W
L7	10.79	N53° 50' 56"W

LEGEND

- LINES SURVEYED _____
 LINES NOT SURVEYED _____
 TIE LINES _____
 OVHD DISTRIBUTION LINE (OVERHEAD) _____
 RETAIL POWER POLE { NTS }
 NOT TO SCALE
 EASEMENT AREA

I, HEREBY CERTIFY THAT THIS MAP WAS PREPARED UNDER MY DIRECT SUPERVISION. THIS PLAN AND PROFILE WAS DRAWN FROM AN ACTUAL FIELD SURVEY AND IS NOT INTENDED TO BE A BOUNDARY SURVEY OF THE PROPERTY SHOWN. THIS PLAN WAS PREPARED IN ACCORDANCE WITH THE STANDARDS OF PRACTICE FOR LAND SURVEYING WITHIN THE STATE OF SOUTH CAROLINA.

Randall L. Stepp 5/3/19



SITE: 107798

FOR SOURCE OF TITLE REFER TO D.BK. , PG.

DUKE ENERGY PROGRESS, LLC
US HWY 1 /SC HWY 9

PURPOSE OF MAP
EASEMENT FOR THE
DISTRIBUTION CROSSING OF THE PEE DEE RIVER

CHERAW CHESTERFIELD SC.

BOOK: 50' 0 50' 100' 150' CREW: DLC,JSP
DATE: 10.3.18 DRAWN BY: LCP
SCALE: 1"=100' SCALE IN FEET R.O.P. = 1:10,000+

LAND UNIT: 1707378

MAP: 107798-003648



400 S. TRYON STREET
PO BOX 1007
CHARLOTTE N.C. 28201-1007
TELEPHONE NO. (704) 382-2361



AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Lander University Jeff May Athletic Complex Lease

Lander University (Lander) requests approval to lease approximately 25 acres of land and improvements located approximately one-tenth of a mile from the Lander campus, more commonly known as the Jeff May Athletic Complex, in Greenwood County from Lander RWS Properties, LLC ("Landlord") for a term of 20 years beginning November 1, 2019.

In 2008, Lander sought and received approval from JBRC and the State Budget and Control Board to lease the above-referenced property for a term of 22 years (the "2009 Lease"), which lease served as partial security for the \$14,000,000 South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (Lander RWS Properties, LLC Project), Series 2009A (the "2009 Bonds"). The 2009 Bonds were used by the Landlord to construct a Recreation, Wellness and Sports Complex. RWS Properties was organized specifically for the development of the new complex and is wholly owned by the Lander Foundation.

The 2009 Bonds are subject to a repurchase on November 1, 2019 and a derivative transaction providing for fixed payments on the 2009 Bonds expires on the same day. As such, it is the intent of Lander and the Landlord to terminate the 2009 Lease upon commencement of the new lease and issuance by the South Carolina Jobs-Economic Development Authority of its revenue bonds (the "2019 Bonds") to effect the refinancing and restructuring of the 2009 Bonds. Lander and Landlord expect that a new lease with a term of 20 years, with an annual rent payment equal to the annual aggregate debt service on the 2019 Bonds but not exceeding \$691,000, which was the amount approved in the 2009 Lease will be sufficient to fully amortize a restructured refinancing of the 2009 Bonds and allow for the Tenant to continue the successful operation of the premises in furtherance of its educational mission. The maximum total rent to be paid by Lander over the new term is \$13,820,000. Lander is responsible for all utilities and operating expenses.

The execution of the new lease and the restructuring of the 2009 Bonds through the issuance of the 2019 Bonds will provide the Tenant with continued use of an integral component of its campus, allow the Landlord to address the liquidity and credit risks presented by the put and swap expirations, respectively, and allow for a source of security for the Bonds that will allow for a full amortization of the same on financially advantageous terms given prevailing financial conditions.

The new lease also contains provisions to accommodate amendment for a subsequent permanent approval project and associated borrowing. The scope of the subsequent request is expected to include renovation of a field house, refinancing of an existing taxable borrowing on a second field house located on the subject property, and renovations to an existing intramural field. Lander will seek review and approval of JBRC and SFAA for the lease amendment, permanent improvement

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Lander University Jeff May Athletic Complex Lease

project and associated borrowing at an early future date, following execution of the new lease and closing of the financial transaction contemplated herein.

The new lease also contains provisions to accommodate amendment for a subsequent permanent approval project and associated borrowing. The scope of the subsequent request is expected to include renovation of a field house, refinancing of an existing taxable borrowing on a second field house located on the subject property, and renovations to an existing intramural field. Lander will seek review and approval of JBRC and SFAA for the lease amendment, permanent improvement project and associated borrowing at an early future date, following execution of the new lease and closing of the financial transaction contemplated herein.

Lander has adequate funds for the lease according to a Budget Approval Form submitted September 11, 2019, which also includes a multi-year plan. The lease does contain an option for Lander to purchase the property for \$1 at any time after the last lease payment has been made and the Bonds have been paid and discharged, subject to approval by JBRC and SFAA at that time. The lease was approved by the Lander University Board of Trustees on September 10, 2019 and by CHE on October 3, 2019. The Joint Bond Review Committee approved this lease at its meeting of October 2, 2019.

AUTHORITY ACTION REQUESTED:

As requested by Lander University through the Department of Administration, Facilities Management and Property Services, approve Lander University's request to lease approximately 25 acres of land commonly known as the Jeff May Athletic Complex in Greenwood County from Lander RWS Properties, LLC for a term of 20 years beginning November 1, 2019.

ATTACHMENTS:

Agenda item worksheet; Letter from Lander dated September 10, 2019; Lander University Bond Information Report; SC Code of Laws Sections 1-11-55 and 1-11-56

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 15, 2019

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

2. Subject: Lander University Jeff May Athletic Complex Lease

3. Summary Background Information:

Lander University (Lander) requests approval to lease approximately 25 acres of land and improvements located approximately one-tenth of a mile from the Lander campus, more commonly known as the Jeff May Athletic Complex, in Greenwood County from Lander RWS Properties, LLC ("Landlord") for a term of 20 years beginning November 1, 2019.

In 2008, Lander sought and received approval from JBRC and the State Budget and Control Board to lease the above-referenced property for a term of 22 years (the "2009 Lease"), which lease served as partial security for the \$14,000,000 South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (Lander RWS Properties, LLC Project), Series 2009A (the "2009 Bonds"). The 2009 Bonds were used by the Landlord to construct a Recreation, Wellness and Sports Complex. RWS Properties was organized specifically for the development of the new complex and is wholly owned by the Lander Foundation.

The 2009 Bonds are subject to a repurchase on November 1, 2019 and a derivative transaction providing for fixed payments on the 2009 Bonds expires on the same day. As such, it is the intent of Lander and the Landlord to terminate the 2009 Lease upon commencement of the new lease and issuance by the South Carolina Jobs-Economic Development Authority of its revenue bonds (the "2019 Bonds") to effect the refinancing and restructuring of the 2009 Bonds. Lander and Landlord expect that a new lease with a term of 20 years, with an annual rent payment equal to the annual aggregate debt service on the 2019 Bonds but not exceeding \$691,000, which was the amount approved in the 2009 Lease, will be sufficient to fully amortize a restructured refinancing of the 2009 Bonds and allow for the Tenant to continue the successful operation of the premises in furtherance of its educational mission. The maximum total rent to be paid by Lander over the new term is \$13,820,000. Lander is responsible for all utilities and operating expenses.

The execution of the new lease and the restructuring of the 2009 Bonds through the issuance

of the 2019 Bonds will provide the Tenant with continued use of an integral component of its campus, allow the Landlord to address the liquidity and credit risks presented by the put and swap expirations, respectively, and allow for a source of security for the Bonds that will allow for a full amortization of the same on financially advantageous terms given prevailing financial conditions.

The new lease also contains provisions to accommodate amendment for a subsequent permanent approval project and associated borrowing. The scope of the subsequent request is expected to include renovation of a field house, refinancing of an existing taxable borrowing on a second field house located on the subject property, and renovations to an existing intramural field. Lander will seek review and approval of JBRC and SFAA for the lease amendment, permanent improvement project and associated borrowing at an early future date, following execution of the new lease and closing of the financial transaction contemplated herein.

Lander has adequate funds for the lease according to a Budget Approval Form submitted September 11, 2019, which also includes a multi-year plan. The lease does contain an option for Lander to purchase the property for \$1 at any time after the last lease payment has been made and the Bonds have been paid and discharged, subject to approval by JBRC and SFAA at that time. The lease was approved by the Lander University Board of Trustees on September 10, 2019 and by CHE on October 3, 2019. The Joint Bond Review Committee approved this lease at its meeting of October 2, 2019.

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

5. What is recommendation of the Division of Facilities Management and Property Services? Consider approval of the proposed twenty-year lease.

6. List of Supporting Documents:

- (a) Letter from Lander dated September 10, 2019
- (b) Lander University Bond Information Report
- (c) SC Code of Laws Sections 1-11-55 and 1-11-56



September 10, 2019

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

Re: Proposed Lease between Lander University and Lander RWS, LLC

Dear Ashlie:

Lander University (the "University") respectfully requests review and approval of a proposed lease (the "New Lease") between the University and Lander RWS, LLC at the October 2019 Joint Bond Review Committee and State Fiscal Accountability Authority meetings. The New Lease is contemplated to replace an existing lease and is proposed to serve as the primary security for a refinancing and restructuring of the \$14,000,000 original principal amount South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (Lander RWS Properties, LLC Project), Series 2009A. No new money or new projects are proposed at this time. In accordance with the Joint Bond Review Committee policy regarding third-party financing arrangements adopted on October 7, 2014, as amended on September 13, 2016, please find enclosed the following documents:

1. The New Lease and accompanying resolution of the Board of Trustees of the University approving the same;
2. A Bond Information Report responsive to the information required in the 2014 and 2016 JBRC Policies; and
3. Copies of the various financing documents to be executed among the parties to the proposed transaction.

The University respectfully requests that the Joint Bond Review Committee and the State Fiscal Accountability Authority consider the request for approval of the New Lease at the meetings currently scheduled for October 2, 2019, and October 15, 2019, respectively.

Please let us know should you require anything further or if you have any questions regarding the enclosed.

Very truly yours,

Stacie Bowie
Vice President for Finance and Administration
Lander University

c: Rick Harmon, Director of Research, Joint Bond Review Committee
Jennifer LoPresti, Capital Budgeting Manager, SC Department of Administration

Lander University Bond Information Report

**Prepared in Connection with the Proposed Authorization of
a Lease Used as Security for the**

\$9,425,000*

**South Carolina Jobs-Economic Development Authority
Economic Development Revenue Bonds
(Lander RWS Properties, LLC Project)
Series 2019**

September 10, 2019

*** Preliminary, subject to adjustment as described herein.**

I. Introduction

This Information Report has been prepared by Lander University (the "University") in connection with a proposed lease between the University and Lander RWS Properties, LLC (the "Borrower"), of which the Lander Foundation (the "Foundation") is the sole member, to be used as security by the Borrower to restructure its \$14,000,000 original principal amount South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (Lander RWS Properties, LLC Project), Series 2009A (the "2009 Bonds"). The 2009 Bonds are subject to an optional put by the current lender, Regions Bank, which possesses the right to require the Borrower to repurchase the entire \$9,125,000 principal balance of the 2009 Bonds on November 1, 2019. The 2009 Bonds were secured by a variety of documents, including a lease agreement from the Borrower to the University for the Athletic Complex (financed with the proceeds of the 2009 Bonds) (the "2009 Complex Lease"), a lease of a structure used for wellness activities from the Borrower to Self Regional Healthcare (the "Self Lease"), and a sublease of an equestrian center from the Borrower to the University (the "Equestrian Lease"). The 2009 Complex Lease has a term that extends to November 30, 2030, and annual payments of \$691,000. The Self Regional Lease expired as of December 31, 2018. The Equestrian Lease terminated in 2011 upon conveyance of the equestrian center to the University. The 2009 Bonds accrue interest at a rate computed as LIBOR plus 166 basis points. This payment obligation has been swapped to a fixed rate of 3.891% through November 1, 2019.

Beginning in the first quarter of 2019, the Borrower, in consultation with the University, initiated a process to obtain a new fixed-rate financing to replace the 2009 Bonds and address the simultaneous put of the 2009 Bonds and expiration of the swap on November 1, 2019. Given the termination of the Self Lease and the Equestrian Lease and the historical debt service of the 2009 Bonds of approximately \$1.1 million with a back-loaded amortization, the Borrower and the University sought a financing with an amortization of 20 years (for a total of 30 years from the issuance of the 2009 Bonds) to allow for the amounts payable under the 2009 Complex Lease to meet a new, lower debt service payment and to more closely match the term of the financing to the useful life of the Athletic Complex. A competitive procurement of loans was undertaken by Stephens Inc., financial advisor to the Borrower, and Regions Capital Advantage, Inc. proposed the most advantageous terms—a ten- or fifteen-year term (at the election of the Borrower), each with a 20-year amortization. The ten-year structure provided a fixed interest rate of 2.40%* versus the approximately 4% swap rate on the 2009 Bonds. During the course of the due diligence for the closing of such loan, it was discovered that the bond transcript for the 2009 Bonds included an incorrect, though fully executed, 2009 Complex Lease. The document included as the 2009 Complex Lease in the 2009 Bond transcript did not require additional Joint Bond Review Committee or State Fiscal Accountability Authority approvals prior to executing up to four, successive five-year terms. Through discussions with the Department of Administration, Real Property Services, it was determined that the correct, approved 2009 Complex Lease requires JBRC and SFAA approval to exercise any extensions to extend the term beyond 2030. Rather than

* The Term Sheet of the Purchaser dated June 19, 2019 has expired. The current, nonbinding term sheet contemplates a rate collar of between 2.40% and 6.00%. The final rate will be set at a fixed rate based on prevailing market conditions, if and when a closing date is set and the proposed lease is authorized. The Purchaser is unwilling to provide a rate lock between the present date and the potential SFAA consideration of the proposed new lease. The Foundation is presently exploring costs related to obtaining a hedge or rate lock. [To be updated as warranted]

pursue an extension of the 2009 Complex Lease, the Borrower and University seek a clean break from the prior, complex financing and request the approval of a new 20-year lease in order to replace the 2009 Bonds with a 20-year year financing that may be entirely satisfied with the new lease at the same or lower lease payment currently being paid under the 2009 Complex Lease.

II. Lander University Bond Information Report Responsive to October 7, 2014 and September 13, 2016 Joint Bond Review Committee Policies

9,425,000*

South Carolina Jobs-Economic Development Authority
Economic Development Revenue Bonds
(Lander RWS Properties, LLC Project)
Series 2019

Revenues Pledged to Pay the Bonds. The above-referenced bonds (the "Bonds") will be secured by an assignment to the lender (the "Lender") by the South Carolina Jobs-Economic Development Authority (the "Authority") and the Borrower of a variety of documents, but the primary document will be a proposed lease (the "New Lease") that will provide for annual payments from the University to the Borrower. The payments under the New Lease (the "Lease Payments") will total not exceeding \$691,000 annually and will be used to pay debt service on the Bonds. The University will not impose any special fees in connection with the Bonds. The estimated debt service requirements on the Bonds are shown in Table 1 below. Table 2 below reflects estimated maximum annual debt service of \$599,320 in the fiscal year ending June 30, 2035, and debt service coverage equal to annual debt service per the terms of the New Lease.

New Revenue Generation. No new revenues will be generated as a result of the Bonds, however the University expects to be able to accommodate a larger student body due to the continued and expanded use of the Athletic Complex by student athletes.

Other Funds Available to Pay Bonds. The New Lease will provide all funds necessary to pay debt service on the Bonds. No other funds are pledged to the payment of the Bonds and the Borrower has no other resources available for such payments. The Foundation, which is the sole member of the Borrower, has very limited resources and the Foundation's resources are necessary for the Foundation to perform its function.

No Special Student Fees. No Credit of the State. Mortgage. No Special Student Fee is currently imposed or contemplated to pay the Bonds. Neither the full faith and credit of the University nor the State of South Carolina has been pledged to the payment of the Bonds. The Borrower will grant a mortgage on the Athletic Complex to the lender to secure the Bonds; however, such mortgage shall be on property of the Borrower and not the State or the University. The obligations of the University under the lease will be subject to cancellation as set forth at Section 1-11-56(3) of the Code of Laws of South Carolina 1976, as amended, as required by State law.

* Preliminary, subject to change. The final par amount of the Bonds will be an amount not exceeding that amount necessary to fully satisfy and discharge the 2009 Bonds together with the costs of issuance of the Bonds.

Table 1

Lander RWS, LLC - Debt Service					
Debt Service on Proposed Bond Issue					
Fiscal Year	Existing 2009	Less Defeased 2009 Bonds			Total Composite
	Bonds Debt Service		Principal	Interest	Debt Service
6/30/2020	\$ 655,566	\$ (655,566)	\$ -	\$ 82,469	\$ 82,469
6/30/2021	986,161	(986,161)	350,000	277,500	627,500
6/30/2022	1,009,606	(1,009,606)	360,000	266,850	626,850
6/30/2023	1,006,998	(1,006,998)	370,000	255,900	625,900
6/30/2024	1,003,404	(1,003,404)	380,000	244,650	624,650
6/30/2025	999,437	(999,437)	395,000	233,025	628,025
6/30/2026	1,018,257	(1,018,257)	405,000	221,025	626,025
6/30/2027	1,010,719	(1,010,719)	420,000	208,650	628,650
6/30/2028	1,027,195	(1,027,195)	430,000	195,900	625,900
6/30/2029	1,091,950	(1,091,950)	445,000	182,775	627,775
6/30/2030	1,377,258	(1,377,258)	460,000	169,200	629,200
6/30/2031		-	470,000	155,250	625,250
6/30/2032		-	485,000	140,925	625,925
6/30/2033		-	500,000	126,150	626,150
6/30/2034		-	515,000	110,925	625,925
6/30/2035		-	530,000	95,250	625,250
6/30/2036		-	550,000	79,050	629,050
6/30/2037		-	565,000	62,325	627,325
6/30/2038		-	580,000	45,150	625,150
6/30/2039		-	600,000	27,450	627,450
6/30/2040		-	615,000	9,225	624,225
Totals	<u>\$ 11,186,551</u>	<u>\$ (11,186,551)</u>	<u>\$ 9,425,000</u>	<u>\$ 3,189,644</u>	<u>\$ 12,614,644</u>

Note: Estimated debt service is calculated at a per annum rate of 3% given current market conditions, but could be higher or lower depending on market rates at the closing of the transaction. The Purchaser has provided a nonbinding rate collar of between 2.40% and 6.00%.

Table 2

Lander RWS, LLC - Coverage

Fiscal Year	Composite Debt Service	New Lease Payments	Coverage Ratio Based on New Lease Payments	Pro Forma Pledged Revenues	Total Pro Forma Pledged Revenues	Pro Forma Coverage Ratio
6/30/2020	82,469	-	-	-	-	-
6/30/2021	627,500	627,500	1.00	-	627,500	1.00
6/30/2022	626,850	626,850	1.00	-	626,850	1.00
6/30/2023	625,900	625,900	1.00	-	625,900	1.00
6/30/2024	624,650	624,650	1.00	-	624,650	1.00
6/30/2025	628,025	628,025	1.00	-	628,025	1.00
6/30/2026	626,025	626,025	1.00	-	626,025	1.00
6/30/2027	628,650	628,650	1.00	-	628,650	1.00
6/30/2028	625,900	625,900	1.00	-	625,900	1.00
6/30/2029	627,775	627,775	1.00	-	627,775	1.00
6/30/2030	629,200	629,200	1.00	-	629,200	1.00
6/30/2031	625,250	625,250	1.00	-	625,250	1.00
6/30/2032	625,925	625,925	1.00	-	625,925	1.00
6/30/2033	626,150	626,150	1.00	-	626,150	1.00
6/30/2034	625,925	625,925	1.00	-	625,925	1.00
6/30/2035	625,250	625,250	1.00	-	625,250	1.00
6/30/2036	629,050	629,050	1.00	-	629,050	1.00
6/30/2037	627,325	627,325	1.00	-	627,325	1.00
6/30/2038	625,150	625,150	1.00	-	625,150	1.00
6/30/2039	627,450	627,450	1.00	-	627,450	1.00
6/30/2040	624,225	624,225	1.00	-	624,225	1.00

The Foundation will pay debt service for the fiscal year ending June 30, 2020 from funds on hand.

III. Executive Summary

- 1. Identification of each principal to the transaction and their role therein.**
 - a. Lander RWS, LLC - the Borrower, owner of the Athletic Complex, and lessor of the Athletic Complex**
 - b. Lander Foundation - sole member of Lander RWS, LLC**
 - c. Lander University - lessee and user of the Athletic Complex**
 - d. South Carolina Jobs-Economic Development Authority - conduit issuer of the Bonds**
 - e. Regions Capital Advantage, Inc. - anticipated purchaser of the Bonds**
- 2. All consultants and advisors, their roles therein, and the process by which their services were procured and engaged.**
 - a. Bacot & Padgett, LC - counsel to the Lander Foundation - regularly serves as outside general counsel to Lander Foundation - services procured subject to engagement letter**
 - b. Pope Flynn, LLC - bond counsel - services procured based on prior services to principals to the transaction and their officers, experience with governmental bond financing transactions which include both University processes and JEDA, inclusion on the Office of State Treasurer approved bond counsel list, and subject to engagement letter**
 - c. Stephens, Inc. - financial advisor - services procured based on prior services to principals to the transaction and their officers, experience with governmental bond financing transactions which include both University processes and JEDA, inclusion on the Office of State Treasurer approved financial advisor list, and subject to engagement letter**
 - d. Haynsworth Sinkler Boyd, P.A. - counsel to conduit issuer - services procured by issuer pursuant to issuer policies**
 - e. Parker Poe Adams and Bernstein - counsel to Regions - services procured by Regions Bank**

3. The purpose of each lease, contract, trust indenture, resolution and agreement, and a summary of its provisions.

a. Loan Agreement

The Loan Agreement is the principal document pursuant to which the Bonds are issued by the Authority and sold to the purchaser thereof (the "Purchaser"), the proceeds of the Bonds will be loaned to the Borrower and the Borrower will agree to repay the Bonds (the Borrower's repayment obligation is evidenced by a Promissory Note executed in favor of the Authority and assigned to the Purchaser). The Loan Agreement establishes a fund into which there will be deposited and invested the Bond proceeds.

The terms of the Bonds will be set forth in the Loan Agreement, including the maturity dates and the interest rates. Each of the Authority and the Borrower will make standard representations and warranties in the Loan Agreement, and the Purchaser will make standard representations as to its sophistication and due diligence.

The Loan Agreement contains stated events of default and remedies, including events of default relating to the nonpayment by the Borrower of the Bonds, the failure to comply with covenants (following notice and an opportunity to cure), bankruptcy events by the Borrower and events of default under the New Lease and the Credit Agreement with the Purchaser. The Purchaser can exercise multiple remedies following an event of default, including acceleration of the Bonds or specific performance against the Borrower or the Authority to enforce their obligations.

b. Credit Agreement

The Credit Agreement governs the basic agreement between the Borrower and the Purchaser relating to the loan. The amortization of the principal of the Bonds will be stated in the Credit Agreement (to provide approximately level debt service for the term). While the principal amortization is based upon twenty-year amortization, the Credit Agreement will require that the unpaid principal amount of the Bonds be purchased by the Borrower at the end of either ten or fifteen years (as elected by Borrower).

The Credit Agreement contains various covenants on the part of the Borrower to the Purchaser which are typical for transactions of this nature. These covenants include:

- A covenant on the part of Borrower not to incur debt for the purpose of acquiring fixed assets in an aggregate amount exceeding \$100,000 in any single fiscal year, and not to incur any additional liens or encumbrances

with respect to the New Lease or other collateral other than liens expressly permitted under the Credit Agreement.

- A covenant to maintain (i) a ratio of net revenues plus unrestricted cash balances to debt service of at least 1.2 to 1, and (ii) annual rentals under the New Lease in excess of annual debt service.

The Credit Agreement also sets forth events of default and the remedies which the Purchaser will have upon the occurrence of an event of default which are typical for transactions of this nature. These remedies include acceleration of the principal of the Bonds, foreclosure of the Mortgage and other security documents and other remedies.

c. Assignment of Issuer's Rights

Pursuant to the Assignment of Issuer's Rights, the Authority will assign all of its right, title and interest (with certain exceptions which allow the Authority to administer certain aspects of the loan) in and to the Loan Agreement and the Promissory Note to the Purchaser. As a result of this assignment, the Loan Agreement functions much like a loan agreement in a commercial loan transaction.

d. Mortgage, Security Agreement, Assignment of Leases, Rents and Profits

As the fee owner of the land and premises, the Borrower will mortgage its interest in the Athletic Complex subject to the New Lease in favor of the Purchaser to secure payments of the Bonds and the Promissory Note pursuant to the Mortgage, Security Agreement, Assignment of Leases, Rents and Profits (the "Mortgage"). The Mortgage contains covenants, defaults and remedies which are typical for transactions of this nature.

e. Assignment of Lease

This will be a collateral assignment by the Borrower of its interest in the New Lease to the Purchaser. The terms of this document are typical for transactions of this nature.

f. Subordination, Non-Disturbance and Attornment Agreement

By this document the University agrees to continue to be bound by the New Lease in the event of a foreclosure by Purchaser under the Mortgage, and it also states Purchaser's agreement to honor the New Lease after foreclosure. The terms of this document are typical for transactions of this nature.

g. Lease Agreement between Lander RWS, LLC and Lander University

The New Lease will be the principal document that sets forth the arrangements and respective duties and obligations between the Borrower and the University with respect to the leased premises, and the payment of Basic Rent and other amounts, subject to annual appropriation.

Pursuant to the New Lease, the Borrower will lease the Athletic Complex to the University and the University will agree to pay Basic Rent to the Borrower annually. The term of the New Lease will extend through the final maturity of the Bonds.

The University will be entitled to operate and use the Athletic Complex for so long as it performs or otherwise complies with its obligations under the New Lease. The Borrower agrees not to interfere with the quiet use and enjoyment of the Athletic Complex by the University during the term of the New Lease.

The events of default under the New Lease include the failure by the parties to perform their obligations thereunder, following notice and an opportunity to cure, or certain bankruptcy events by the University. Upon such an event of default, the Borrower may, and as directed by the Purchaser shall, terminate the New Lease and evict the University from the leased premises.

The New Lease will provide that, at the option of the University, the University will have the option to purchase fee simple title to the Athletic Complex for \$1 at any time after the last lease payment has been made and the Bonds have been paid and discharged. Any purchase option will be subject to approval by the Joint Bond Review Committee and the State Fiscal Accountability Authority.

4. Financial Obligations

Under the New Lease between the Borrower and the University, the University will be obligated to make payments on either an annual or monthly basis in order to continue to use the Athletic Complex. The financial obligation of the University to make lease payments will be subject to the cancellation provisions of Section 1-11-56 of the Code of Laws of South Carolina 1976, as amended. Those provisions allow for 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 renting agency.

5. Financial Resources

Payments under the New Lease will be a current expense of the University. The financial statements of the University for the Fiscal Year ended June 30, 2018 are available here: <http://www.lander.edu/sites/lander/files/Documents/Budget%20Office%202018%20Financial%20Statement.pdf>

6. Summaries of Covenants, Events of Default and Remedies

See document summaries under Section III(3) above for a discussion of the covenants.

7. Summary of Alternatives Considered

The University and the Borrower examined and assessed all available funding options to address the November 1, 2019 put and the expiration of the swap. Beginning in January 2019, the

University began exploring the acquisition of the Athletic Complex from the Borrower using General Obligation State Institution Bonds or revenue bonds of the University. However, after investigation and advice received, it was determined that State Institution Bonds were not a good fit for the project given their use by varsity athletics, the absence of a significant history with the use of State Institution Bonds to acquire existing, related-entity facilities, and the deadline of November 1, 2019 to obtain new financing. Similarly, the Higher Education Revenue Bond Act was considered, but Section 59-147-30(1) expressly prohibits using this mechanism for "athletic department projects which primarily serve varsity athletic teams of the university." Also, unlike certain other State institutions of higher learning, the University does not possess inherent borrowing authority pursuant to its enabling act to allow for athletic borrowings by the University.

Given the above-referenced limitations and historical precedent, the University determined that the clearest path available to restructure the 2009 Bonds was to pursue a lease-backed transaction using a conduit bond issuer, similar to that already in place. Given the determination that other paths were either not available or viable, comparative transaction costs were not weighed, though upon information and belief the University would expect the costs of a borrowing using State Institution Bonds to be lower than a lease-backed transaction through a conduit bond issuer, particularly if it could have shared expenses through a joint sale with other, larger State general obligation bond issues.

IV. Specific Action or Review Requested

The University respectfully requests review of the plan of finance, and the New Lease pursuant to Sections 1-11-55 and 1-11-56 of the Code of Laws of South Carolina 1976, as amended, and the regulations implementing the same.

V. Enclosures

Enclosed herewith are full copies of "all leases, contracts, trust indentures, resolutions and agreements to be executed among the parties to the transaction, regardless of cost or value." Those documents include the below list and are summarized above.

1. Loan Agreement
2. Credit Agreement
3. Assignment of Issuer's Rights
4. Mortgage, Security Agreement, Assignment of Leases, Rents and Profits
5. Assignment of Lease
6. Subordination, Non-Disturbance and Attornment Agreement
7. Lease Agreement between Lander RWS, LLC and Lander University

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: Petition to Request Annexation of Department of Mental Health's Cherokee County Veterans Home into the City of Gaffney

The City of Gaffney is requesting annexation of the Department of Mental Health's Cherokee County State Veterans Nursing Home located at 205 Hampshire Drive into its corporate limits. The property consists of approximately 58.4 acres. This annexation will increase the area of the City and make the City contiguous to more properties the City could annex in the future. The South Carolina Department of Mental Health does not oppose the City's plans to annex the property and will benefit from emergency and utility services. A public hearing was conducted by the City Council of Gaffney on October 7, 2019, and there was no public opposition to the annexation. Additionally, the district's legislative representatives were contacted and have no opposition to the annexation.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management and Property Services, approve the petition to request annexation of the Department of Mental Health's State Veterans Nursing Home at 205 Hampton Drive in Cherokee County into the City of Gaffney.

ATTACHMENTS:

Agenda item worksheet and attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 15, 2019

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: Petition to Request Annexation of Department of Mental Health's Cherokee County Veterans Home into the City of Gaffney

3. Summary Background Information:

The City of Gaffney is requesting annexation of the Department of Mental Health's Cherokee County State Veterans Nursing Home located at 205 Hampshire Drive into its corporate limits. The property consists of approximately 58.4 acres. This annexation will increase the area of the City and make the City contiguous to more properties the City could annex in the future. The South Carolina Department of Mental Health does not oppose the City's plans to annex the property and will benefit from emergency and utility services. A public hearing was conducted by the City Council of Gaffney on October 7, 2019, and there was no public opposition to the annexation. Additionally, the district's legislative representatives were contacted and have no opposition to the annexation.

4. What is Board asked to do? Approve the petition to request annexation of the Department of Mental Health's State Veterans Nursing Home into the City of Gaffney.

5. What is recommendation of Board Division involved? Approval of the petition to request annexation of the Department of Mental Health's State Veterans Nursing Home into the City of Gaffney.

6. List of Supporting Documents:

- (a) Letters from City of Gaffney dated September 20, 2019
- (b) Letter from Department of Mental Health dated July 24, 2019
- (c) Letter from Senator Harvey S. Peeler, Jr., dated June 11, 2019
- (d) Letter from Representative V. Stephen Moss dated June 11, 2019
- (e) Petition for Annexation
- (f) Map
- (g) Code Section 5-3-140

HENRY L. JOLLY
MAYOR



JAMES R. TAYLOR
CITY ADMINISTRATOR

Council

Harold D. Littlejohn, Sr.
Stephanie Smith
Monita Dawkins

P. O. Box 2109
Gaffney, South Carolina 29342
Telephone (864) 487-6247
Fax (864) 487-8543

Council

Glenn Fuller
Kim F. Phillips
Billy Love

September 20, 2019

Ms. Linda Gordon
Division of General Services
SC Department of Administration
1200 Senate Street, Suite 408
Columbia, SC 29201

Re: Petition for Annexation State Veterans Home Northwest
TM No. 098-00-00-012.000 and TM No. 098-00-00-014.003

Dear Ms. Gordon:

The City of Gaffney is interested in annexation of the South Carolina Department of Mental Health's property containing the future State Veterans Nursing Home. The City would be able to provide quality emergency and public safety services to the facility and its residents. The City's public utility will be able to provide utility services which will be of great benefit to the State. The City proposes a zoning classification of General Commercial for the property which will accommodate the proposed use and provide flexibility for changes and growth.

Please feel free to contact me if you have any questions or desire additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "J.R. Taylor", is written over a horizontal line.

James R. Taylor
City Administrator



State of South Carolina
Department of Mental Health

MENTAL HEALTH COMMISSION:

Alison Y. Evans, PsyD, Chair
Sharon L. Wilson, Vice Chair
Louise Haynes
Bob Hiott, Med
L. Gregory Pearce, Jr.

2414 Bull Street • P.O. Box 485
Columbia, SC 29202
Information: (803) 898-8581

Mark Binkley
Interim State Director

July 24, 2019

Ms. Linda Gordon
Division of General Services
SC Department of Administration
1200 Senate Street, Suite 408
Columbia, SC 29201

Re: Petition for Annexation State Veterans Nursing Home Northwest
TM No. 098-00-00-012.000 and TM No. 098-00-00-014.003

Dear Ms. Gordon:

Please accept this letter as the Department of Mental Health's (SCDMH) support of the City of Gaffney's petition to annex SCDMH's property containing the future State Veterans Nursing Home into the municipality. The City has requested this annexation in order to increase the area of the City and to provide emergency and utility services which are of high quality and financially beneficial to the State. The Department fully supports the City's request to annex the property, as annexation would also allow the City to better support the future Veteran population and ensure access to the highest level of public services.

If I can be of further assistance, please do not hesitate to contact me.

Mark W. Binkley, JD
Interim State Director

MISSION STATEMENT

To support the recovery of people with mental illnesses.



HARVEY S. PEELER, JR.
PRESIDENT OF THE SENATE



POST OFFICE BOX 142
213 GRESSETTE BUILDING
COLUMBIA, SOUTH CAROLINA 29202
(803) 212-6430
PRESIDENT@SCSENATE.GOV

Office of the President South Carolina Senate

June 11, 2019

Ms. Linda Gordon
SC Department of Administration
Division of Facilities Management
1200 Senate Street, Suite 420
Columbia, South Carolina 29201

RE: Petition for Annexation Request for consent to annex SCDMH property
contiguous to City of Gaffney (TMS 098-00-00-012.000; 098-00-00-014.003:
205 Hampshire Drive, Cherokee County, South Carolina)

Dear Ms. Gordon:

Please accept this letter as my support of the South Carolina Department of Mental Health's (SCDMH) petition to annex SCDMH-owned property on 205 Hampshire Drive in Cherokee County into the City of Gaffney. The City has requested this annexation in order to increase the area of the City and to better support emergency and utility services for the future State Veterans Nursing Home which is currently under construction.

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Harvey S. Peeler, Jr.", is written over a faint, larger version of the same signature.

Harvey S. Peeler, Jr.

cc: Mark Binkley, SC Department of Mental Health
James Taylor, City of Gaffney

Steve Moss

District No. 30 - *Cherokee & York*
Counties
210 Big Rock Road
Blacksburg, SC 29702
864-839-3135



418-B Blatt Building
Columbia, SC 29201

Tel. (803) 212-6885
stevemoss@schouse.gov

Committee:

Agriculture, Natural Resources and
Environmental Affairs,
1st Vice Chairman

House of Representatives

State of South Carolina

June 11, 2019

Ms. Linda Gordon
SC Department of Administration
Division of Facilities Management
1200 Senate Street, Suite 420
Columbia, South Carolina 29201

**RE: Petition for Annexation Request for consent to annex SCDMH property
contiguous to City of Gaffney (TMS 098-00-00-012.000; 098-00-00-014.003: 205
Hampshire Drive, Cherokee County, South Carolina)**

Dear Ms. Gordon:

Please accept this letter as my support of the South Carolina Department of Mental Health's (SCDMH) petition to annex SCDMH-owned property on 205 Hampshire Drive in Cherokee County into the City of Gaffney. The City has requested this annexation in order to increase the area of the City and to better support emergency and utility services for the future State Veterans Nursing Home which is currently under construction.

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in blue ink that reads "V. Stephen Moss".

V. Stephen Moss

cc: Mark Binkley, SC Department of Mental Health
James Taylor, City of Gaffney

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHEROKEE) PETITION FOR ANNEXATION

TO THE HONORABLE MAYOR AND CITY COUNCIL OF GAFFNEY

WHEREAS, Section 5-3-140 of the Code of Laws of South Carolina provides for the annexation of property owned by the State of South Carolina which is contiguous to a city by filing with the municipal governing body a petition executed by the State Fiscal Accountability Authority requesting annexation; and

WHEREAS, The State of South Carolina, owns the below-described properties and the same is contiguous to the corporate limits of the City of Gaffney; and

WHEREAS, the undersigned is hereby requesting that the below-described properties be annexed to the City of Gaffney and be zoned General Commercial;

NOW, THEREFORE, the undersigned does hereby petition the City Council of Gaffney to annex the below-described areas into the City of Gaffney, to wit:

All those certain pieces, parcels or lots of land, situate, lying and being in the State of South Carolina, County of Cherokee, being shown and designated as Tract # 1, containing 54.29 acres, Lot #1, containing 2.94 acres and Lot #2, containing 1.16 acres, on a plat prepared for S.C. Department of Mental Health by Cox and Dinkins, Inc., dated January 11 , 2017 and recorded in the Office of the Register of Deeds for Cherokee County, South Carolina in Volume 91 at Page 2281. Reference to the aforesaid plat is made in aid of further description.

See Deed Reference Volume 98 at Page 2426 and Volume 99 at Page 409

Tax Map No. 098-00-00-012.000 and 098-00-00-014.003

Property Address: 205 Hampshire Drive

WHEREAS, Consent by the State Fiscal Accountability Authority to annexation of State property is conditioned upon a waiver by the municipality, in perpetuity, of any right to levy, collect or charge, directly or indirectly, any franchise, storm water drainage or other fee or cost upon the State for services provided to the State or its agencies or the subject property for as long as the property is owned by the State of South Carolina.

This annexation request was approved by the State Fiscal Accountability Authority at its meeting held on October 15, 2019.

STATE OF SOUTH CAROLINA,
BY AND THROUGH THE
STATE FISCAL ACCOUNTABILITY AUTHORITY

By: _____

Delbert H. Singleton
Secretary for the Authority



SOUTH CAROLINA CODE OF LAWS

SECTION 5-3-140. Alternate method when entire area proposed to be annexed owned by Federal or State Government.

If the territory proposed to be annexed belongs entirely to the federal government or to the State of South Carolina and is adjacent to a municipality, it may be annexed upon the petition of the federal government or of the State to the city or town council thereof. As used in this section, a petition by the State shall mean a petition executed by the State Fiscal Accountability Authority. Upon agreement of the city or town council to accept the petition and the passage of an ordinance to that effect, the annexation is complete.

HISTORY: 1962 Code Section 47-19.2; 1967 (55) 952; 1971 (57) 798; 2000 Act No. 250, Section 3.

Code Commissioner's Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: State Accident Fund Lease of 113 Reed Avenue, Lexington

The State Accident Fund requests approval to lease 20,500 rentable square feet located at 113 Reed Avenue in Lexington from ET Lexington, LLC ("Landlord") for office space. Presently, the State Accident Fund leases 21,871 square feet at 800 Dutch Square Boulevard, Columbia, South Carolina 29210 as a holdover tenant. The monthly rental is \$21,871.00 (\$13.10 per rentable square foot), an annual aggregate amount of \$286,510.10. The State Accident Fund has been in holdover since July 1, 2014.

The State Accident Fund requests approval to lease 20,500 rentable square feet located at 113 Reed Avenue in Lexington from ET Lexington, LLC ("Landlord") for office space.

Presently, the State Accident Fund leases 21,871 square feet at 800 Dutch Square Boulevard, Columbia, South Carolina 29210 as a holdover tenant. The monthly rental is \$21,871.00 (\$13.10 per rentable square foot), an annual aggregate amount of \$286,510.10. The State Accident Fund has been in holdover since July 1, 2014.

Since 2014, state agencies were contacted to verify that there was no adequate state space available and six separate solicitations were conducted with the last solicitation conducted in March of 2019.

Fourteen responses were received to the last solicitation and the proposed Landlord was the best option when considering proximity, space, security, and parking. Of the proposals received, four had insufficient parking, one did not offer a sufficient lease term, one would not allow state required termination provisions, three were more expensive than the proposed space and the others were eliminated by the State Accident Fund due to safety concerns.

The lease term will be ten years commencing upon completion of the renovations by the Landlord. The monthly rental rate for the first year will be \$27,333.33 (rounded) resulting in annual rent in the amount of \$328,000. The rent equates to \$16.00 per rentable square foot. The rental rate will increase by 3% per year. The total rent to be paid over the 10-year term is \$3,760,152.41. The rent includes all maintenance and operating costs as well as full access and free use of the surrounding parking lot which has adequate parking for staff and visitors and for which there is no additional cost. The lease meets the state space standards with a density of 159 SF/person.

The rent over the term of the lease is as follows:

		<u>MONTHLY</u>	<u>RENT</u>
<u>TERM</u>	<u>ANNUAL RENT</u>	<u>RENT ROUNDED</u>	<u>PER SF ROUNDED</u>
YEAR 1	\$328,000.00	\$27,333.33	\$16.00
YEAR 2	\$337,840.00	\$28,153.33	\$16.48
YEAR 3	\$347,975.20	\$28,997.93	\$16.97
YEAR 4	\$358,414.46	\$29,867.87	\$17.48
YEAR 5	\$369,166.89	\$30,763.91	\$18.01
YEAR 6	\$380,241.90	\$31,686.82	\$18.55
YEAR 7	\$391,649.15	\$32,637.43	\$19.10
YEAR 8	\$403,398.63	\$33,616.55	\$19.68
YEAR 9	\$415,500.59	\$34,625.05	\$20.27
YEAR 10	\$427,965.60	\$35,663.80	\$20.88

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: State Accident Fund Lease of 113 Reed Avenue, Lexington

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

Tenant	Location	Rate /SF
Office of the Adjutant General	109-T Old Chapin Road	\$25.50
SC Department of Agriculture	350 Ballard Court	\$18.00
SC Department of Juvenile Justice	201 Executive Center Dr.	\$15.50
Vacant	5061 Sunset Blvd	\$29.50
Vacant	2440 Augusta Highway	\$22.00
Vacant	607 Columbia Ave	\$23.50
Vacant	1326 Bush River Road	\$18.00

Above rates are subject to base rent and operating expense escalations over the term and do not include tenant upfit costs.

The State Accident Fund has adequate funds for the lease according to a Budget Approval Form submitted August 20, 2019, which also includes a multi-year plan. Lease payments will be made from State Accident Fund's "other funds". No option to purchase the property is included in the lease. Joint Bond Review Committee approved this lease at its meeting of October 2, 2019.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management and Property Services, approve the proposed ten-year lease of 20,500 rentable square feet located at 113 Reed Avenue in Lexington from ET Lexington, LLC for office space.

ATTACHMENTS:

Agenda item worksheet; Letter from State Accident Fund dated August 20, 2019; SC Code of Laws Sections 1-11-55 and 1-11-5

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 15, 2019

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

2. Subject: State Accident Fund Lease of 113 Reed Avenue, Lexington, SC

3. Summary Background Information:

The State Accident Fund requests approval to lease 20,500 rentable square feet located at 113 Reed Avenue in Lexington from ET Lexington, LLC ("Landlord") for office space.

Presently, the State Accident Fund leases 21,871 square feet at 800 Dutch Square Boulevard, Columbia, South Carolina 29210 as a holdover tenant. The monthly rental is \$21,871.00 (\$13.10 per rentable square foot), an annual aggregate amount of \$286,510.10. The State Accident Fund has been in holdover since July 1, 2014.

Since 2014, state agencies were contacted to verify that there was no adequate state space available and six separate solicitations were conducted with the last solicitation conducted in March of 2019. Fourteen responses were received to the last solicitation and the proposed Landlord was the best option when considering proximity, space, security, and parking. Of the proposals received, four had insufficient parking, one did not offer a sufficient lease term, one would not allow state required termination provisions, three were more expensive than the proposed space and the others were eliminated by the State Accident Fund due to safety concerns.

The lease term will be ten years commencing upon completion of the renovations by the Landlord. The monthly rental rate for the first year will be \$27,333.33 (rounded) resulting in annual rent in the amount of \$328,000. The rent equates to \$16.00 per rentable square foot. The rental rate will increase by 3% per year. The total rent to be paid over the 10-year term is \$3,760,152.41. The rent includes all maintenance and operating costs as well as full access and free use of the surrounding parking lot which has adequate parking for staff and visitors and for which there is no additional cost. The lease meets the state space standards with a density of 159 SF/person.

The rent over the term of the lease is as follows:

		<u>MONTHLY</u>	<u>RENT</u>
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Vacant	2440 Augusta Highway	\$22.00
Vacant	607 Columbia Ave	\$23.50
Vacant	1326 Bush River Road	\$18.00

Above rates are subject to base rent and operating expense escalations over the term and do not include tenant upfit costs.

The State Accident Fund has adequate funds for the lease according to a Budget Approval Form submitted August 20, 2019, which also includes a multi-year plan. Lease payments will be made from State Accident Fund's "other funds". No option to purchase the property is included in the lease. Joint Bond Review Committee approved this lease at its meeting of October 2, 2019.

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 State Accident Fund dated August 20, 2019
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



South Carolina State Accident Fund

Henry D. McMaster
Governor

Amy V. Cofield, Esq.
Executive Director

August 20, 2019

Ms. Ashlie Lancaster
South Carolina Department of Administration
Real Property Services
1200 Senate Street, Suite 460
Columbia, SC 292201

RE: Lease Proposal for State Accident Fund

Dear Ms. Lancaster:

The South Carolina State Accident Fund (SAF) request approval by the State Fiscal Accountability Authority of a 10-year lease with the owners of 113 Reed Avenue for approximately 19,321 usable square feet of office space located at 113 Reed Avenue, Lexington, South Carolina. This space is required as our current lease has been on month to month at our current location for approximately four (4) years prior to my arrival in January.

We received fourteen (14) preliminary responses to our solicitation. Of the fourteen (14) sites, four (4) had insufficient parking, one did not offer a ten (10) year lease and three (3) were .46 cents more per square foot than our current proposal. After considering security, proximity for my staff, interior office design, and cost we concluded that 113 Reed Avenue best meets our requirements.

I believe that my agency's needs may be a little particular given the fact that my staff consists of 80% women. Safety has been a huge concern given the high crime rate in my area. Just last month a murder occurred close by and the murderer was arrested in our parking lot. We have had inappropriate activities by co-tenants, and since my arrival there was an intruder that stole from an employee. The hiring of full time security can easily be averted if my agency is relocated to a safe location.

We request the maximum lease of ten (10) years in order that we are able to provide a consistent location for taxpayers and minimize the costs of relocation.

Thank you for your assistance in this process and for your consideration of our request.

Yours very truly,

A handwritten signature in black ink, appearing to read "Amy V. Cofield", is written over a horizontal line.

Amy V. Cofield, Esq.
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: Miracle Park Lease: Winthrop University Lease-out of Parcel Approximately 8.223 acres in Rock Hill

Winthrop University ("Winthrop" or "Landlord") desires to lease approximately 8.223 acres in Rock Hill (the "Premises") to the York County Disabilities Foundation (the "Foundation") and the City of Rock Hill (the "City") to be developed into a park, playground and field facilities known as "Miracle Park" to accommodate members of the other-abled, including "special needs" athletes.

Winthrop has advised that in addition to benefiting the York County community, the installation of Miracle Park will benefit the mission of Winthrop as it will offer substantial opportunities for students not found in the traditional recreational park environment. Winthrop's College of Education's traditional programs and Department of Physical Education, Sport and Human Performance will benefit by having access to a state-of-the-art disabilities-focused park which will provide opportunity for research, internships, and student-led service-learning projects. Additionally, Winthrop University's Think College Program, which offers postsecondary education opportunities for students with intellectual disabilities, has expressed a great deal of interest in Miracle Park and there is potential for creating mentoring relationships among Miracle League participants. Finally, Winthrop's Macfeat Laboratory School, which researches the intellectual, physical, social, and emotional health of preschool and kindergarten students by observing, participating and interacting positively with the children, would benefit by having a fully inclusive park within a mile of its location, both in terms of research and cultivating comprehensive early childhood development.

The lease term will be twenty-five (25) years ("Term"). As Miracle Park will benefit Winthrop, nominal rental will be paid to Winthrop in the amount of \$1.00 per year. Additionally, to the extent there is net revenue derived from retail activities on the Premises, Winthrop shall be paid 15% of that net revenue.

Generally, at the end of the lease term, the tenant would be required to return the Premises to the Landlord in its original condition. In this case, the plan to construct Miracle Park requires the removal of certain trees and stumps from the Premises (note, the Magnolia Trees along Cherry Road will remain in place) and the addition of a Detention Pond to comply with federal and state requirements to detain rain water when the site topography is changed. As these changes will make it either impossible or astronomically expensive to return the Premises to the Landlord in its original condition, Winthrop is requesting permission to enter into this lease-out which would allow the tenant to return the Premises to its original condition, changes in topography excepted.

Miracle Park will be constructed, developed, operated, managed and maintained by the Foundation and the City with their funds. If at any time during the Term the Premises cease to

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Miracle Park Lease: Winthrop University Lease-out of Parcel Approximately 8.223 acres in Rock Hill

function as a park, playground and field facilities which are able to accommodate members of the other-abled, including “special needs” athletes, then this Lease shall be immediately terminated and the Premises shall be returned to Winthrop its original condition, changes in topography (as opposed to structures) excepted.

The Winthrop University Board of Trustees approved the Lease on August 20, 2018 and the Joint Bond Review Committee approved the Lease at its meeting of October 2, 2019.

Additionally, in accordance with the Lease, Winthrop shall grant the Foundation a fifty (50’) foot ingress and egress easement, which may be paved by the Foundation or the City, over a portion of the Premises retained by Winthrop as a buffer zone. The easement term will run concurrent with the Lease Term and all rights will terminate at the end of the Term.

AUTHORITY ACTION REQUESTED:

As requested by Winthrop University through the Department of Administration, Facilities Management and Property Services, approve Winthrop University’s request to approve the proposed lease out of approximately 8.223 acres in Rock Hill to the York County Disabilities Foundation and the City of Rock Hill and approve the granting of a 50’ ingress and egress easement. The easement term will run concurrent with the Lease Term and all rights will terminate at the end of the Term.

ATTACHMENTS:

Agenda item worksheet; Letter from Winthrop University dated August 30, 2019; Written Explanation from Miracle Park Foundation; SC Code of Laws Section 10-1-130; Map of easement area

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 15, 2019

Regular Agenda

1. Submitted by:

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



Ashlie Lancaster, Director

2. Subject: Miracle Park Lease: Winthrop University Lease-out of parcel approximately 8.223 acres in Rock Hill, SC

3. Summary Background Information:

Winthrop University ("Winthrop" or "Landlord") desires to lease approximately 8.223 acres in Rock Hill (the "Premises") to the York County Disabilities Foundation (the "Foundation") and the City of Rock Hill (the "City") to be developed into a park, playground and field facilities known as "Miracle Park" to accommodate members of the other-abled, including "special needs" athletes.

Winthrop has advised that in addition to benefiting the York County community, the installation of Miracle Park will benefit the mission of Winthrop as it will offer substantial opportunities for students not found in the traditional recreational park environment. Winthrop's College of Education's traditional programs and Department of Physical Education, Sport and Human Performance will benefit by having access to a state-of-the-art disabilities-focused park which will provide opportunity for research, internships, and student-led service-learning projects. Additionally, Winthrop University's Think College Program, which offers postsecondary education opportunities for students with intellectual disabilities, has expressed a great deal of interest in Miracle Park and there is potential for creating mentoring relationships among Miracle League participants. Finally, Winthrop's Macfeat Laboratory School, which researches the intellectual, physical, social, and emotional health of preschool and kindergarten students by observing, participating and interacting positively with the children, would benefit by having a fully inclusive park within a mile of its location, both in terms of research and cultivating comprehensive early childhood development.

The lease term will be twenty-five (25) years ("Term"). As Miracle Park will benefit Winthrop, nominal rental will be paid to Winthrop in the amount of \$1.00 per year. Additionally, to the extent there is net revenue derived from retail activities on the Premises, Winthrop shall be paid 15% of that net revenue.

Generally, at the end of the lease term, the tenant would be required to return the Premises to the Landlord in its original condition. In this case, the plan to construct Miracle Park requires the removal of certain trees and stumps from the Premises (note, the Magnolia Trees along

Cherry Road will remain in place) and the addition of a Detention Pond to comply with federal and state requirements to detain rain water when the site topography is changed. As these changes will make it either impossible or astronomically expensive to return the Premises to the Landlord in its original condition, Winthrop is requesting permission to enter into this lease-out which would allow the tenant to return the Premises to its original condition, changes in topography excepted.

Miracle Park will be constructed, developed, operated, managed and maintained by the Foundation and the City with their funds. If at any time during the Term the Premises cease to function as a park, playground and field facilities which are able to accommodate members of the other-abled, including "special needs" athletes, then this Lease shall be immediately terminated and the Premises shall be returned to Winthrop its original condition, changes in topography (as opposed to structures) excepted.

The Winthrop University Board of Trustees approved the Lease on August 20, 2018 and the Joint Bond Review Committee approved the Lease at its meeting of October 2, 2019.

Additionally, in accordance with the Lease, Winthrop shall grant the Foundation a fifty (50') foot ingress and egress easement, which may be paved by the Foundation or the City, over a portion of the Premises retained by Winthrop as a buffer zone. The easement term will run concurrent with the Lease Term and all rights will terminate at the end of the Term.

4. What is the Authority asked to do? Approve the proposed lease out and 50' ingress/egress easement.

5. What is recommendation of the Division of Facilities Management and Property Services? Consider approval of the proposed lease out and the granting of the 50' ingress/egress easement.

6. List of Supporting Documents:

- (a) Letter from Winthrop University dated August 30, 2019
- (b) Written Explanation from Miracle Park Foundation
- (c) SC Code of Laws Section 10-1-130
- (d) Map of easement area



Office of Internal Audit and Compliance

August 30, 2019

Sent via email to: shawn.DeJames@admin.sc.gov

Shawn DeJames
Real Property Services
SC Department of Administration
1200 Senate Street, Rm 610
Columbia, SC 29201

Shawn,

JBRC:

Winthrop University would like to request to be added the agenda for the next meeting of the Joint Bond Review Committee (JBRC), currently scheduled for October 2, 2019. Winthrop is requesting a change to the state approved lease article 2.3 to allow for topographical changes to the leased property at the termination of the agreement. A copy of the current approved language as well as the requested change is attached.

Rick Harmon requested a statement from the Foundation regarding topographical improvements to be made to the property. Winthrop has made this request to the Foundation and I will forward that on to you once received.

Agenda item: Miracle Park lease provision change between Winthrop University, York County Disabilities Foundation, and City of Rock Hill.

Attachments:

1. Lease approved by RPS between Winthrop University, York County Disabilities Foundation, and City of Rock Hill.
2. Requested language change to article 2.3,

SFAA:

Winthrop University would also like to request to be added the agenda for the next meeting of the State Fiscal Accountability Authority (SFAA), currently scheduled for October 15, 2019. Winthrop is requesting approved of ingress/egress easements across University property to the property leased by York County Disabilities Foundation for Miracle Park.

Attachment:

3. Proposed site plan

Agenda item: Miracle Park approval of ingress/egress easements in lease between Winthrop University, and York County Disabilities Foundation.

If you could forward me the agenda for these meeting, once formalized, I would appreciate it.

Please let me know if you have any questions, or need any further information.

Sincerely,

Caroline Overcash

Caroline Craig Overcash, Esq., CPM, CISA | Director of Internal Audit and Compliance | Winthrop University
Internal Audit | 108 Tillman | Rock Hill, SC 29733
Tel: 803.323.4698 | overcashc@winthrop.edu
Veritas cum libertate



Topographical Changes & Reasons

To Whom It May Concern:

Miracle Park is a park designed specifically for the able bodied, or special needs population consisting of Miracle Fields, athletic fields, playground, etc. As shown on the attached site plan, the Miracle Park Project will consist of the following changes from its current condition in order to complete the improvements & build the park:

- **Clearing & Grading:** This consists of removing the trees and stumps from the land. It should be noted that the Magnolia Trees along Cherry Rd. are remaining in place.
- **Detention Pond:** This is a federal and state requirement to detain the rain water once the site is changed from it's current state (removal of trees and replacement with development). The plan is for the detention pond to also serve as a fishing pond for the Park and its patrons.

Regarding the request for section 2.3 language to be adjusted, the need for this request is due to the above improvements being made to the property. It would be enormously difficult (if not an impossibility), along with astronomically expensive (to the point that would bankrupt the foundation) to re-fill the detention pond, re-grade the site to it's current condition, and plant back trees.

Thank you for the consideration to soften the language to section 2.3.

York County Disabilities Foundation Board & Miracle Park Executive Committee

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.

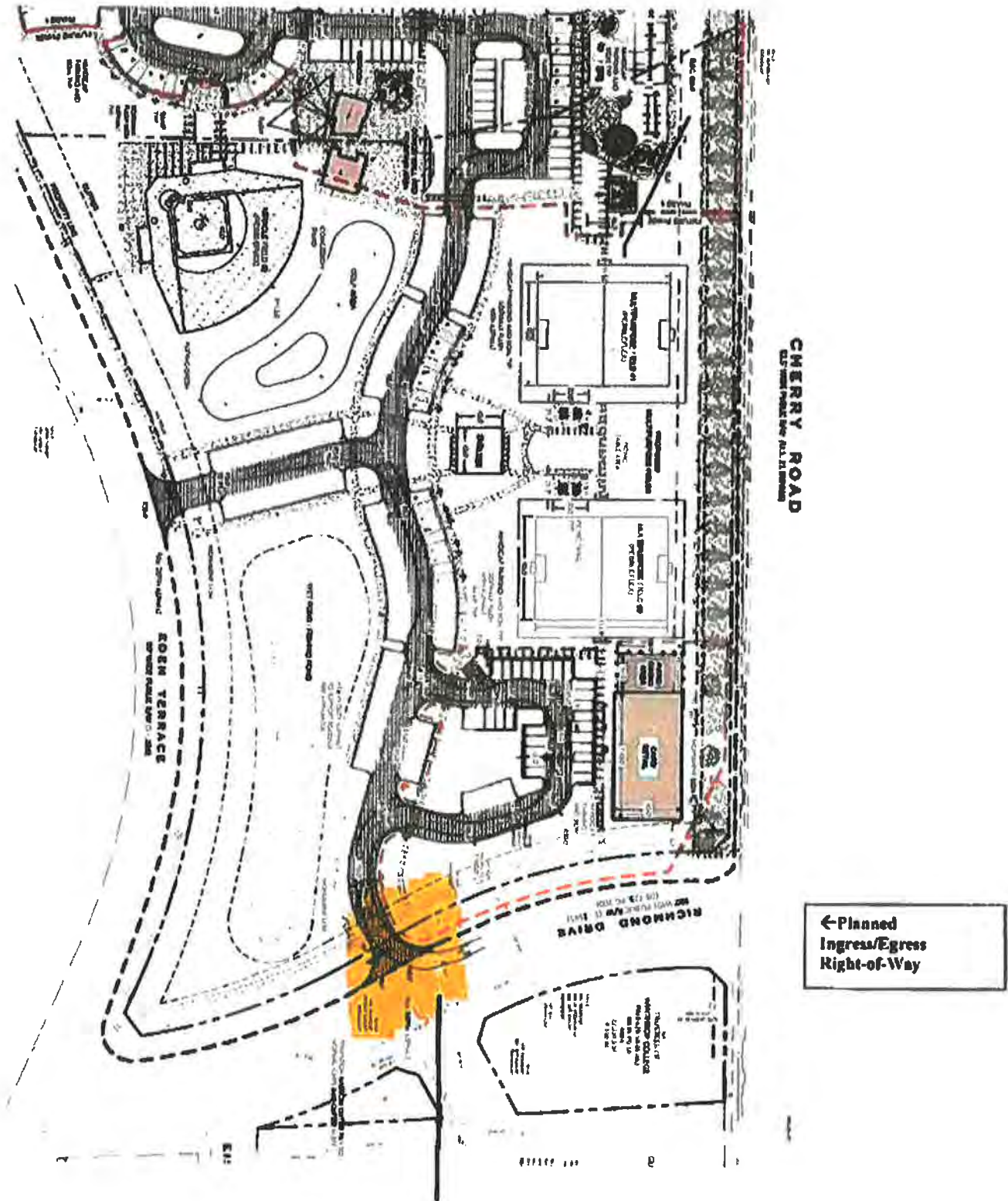
HISTORY: 1962 Code Section 1-49.3; 1963 (53) 177; 2014 Act No. 121 (S.22), Pt V, Section 7.K, eff July 1, 2015.

Effect of Amendment

2014 Act No. 121, Section 7.K, rewrote the section, substituting the Department of Administration and the State Fiscal Accountability Authority for the State Budget and Control Board.

EXHIBIT "C"

Rendering of Planned Ingress/Egress Easement across buffer zone from Richmond Drive



STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF October 15, 2019

REGULAR SESSION
ITEM NUMBER 11

AGENCY: The Citadel

SUBJECT: Not Exceeding \$39,000,000 General Obligation State Institution Bonds, Issued on Behalf of The Citadel

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$39,000,000 General Obligation State Institution Bonds, issued on behalf of The Citadel.

The proceeds of the bonds will be used to (i) defray a portion of the costs of designing, constructing, equipping, and furnishing a campus academic building to replace the existing academic building known as Capers Hall; (ii) reimburse The Citadel for expenses incurred in anticipation of the issuance of such State Institution Bonds collectively, and (iii) pay for expenses related to the issuance of such State Institution Bonds.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$39,000,000 General Obligation State Institution Bonds, issued on behalf of The Citadel.

ATTACHMENTS:

DuBose September 6, 2019 letter; Resolution; NDIF

**HAYNSWORTH
SINKLER BOYD**

HAYNSWORTH SINKLER BOYD, P.A.
1201 MAIN STREET, 22ND FLOOR
P. O. BOX 11889 (29211-1889)
COLUMBIA, SOUTH CAROLINA 29201-3226
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THEODORE B. DuBOISE
DIRECT 803.540.7830
tdubose@hsblawfirm.com

September 6, 2019

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

Re: Application for Issuance of Not Exceeding \$39,000,000 General Obligation State Institution Bonds (Issued on Behalf of The Citadel, the Military College of South Carolina)

Dear Mr. Singleton:

In connection with the referenced application for issuance by the State of South Carolina of its general obligation state institution bonds on behalf of The Citadel (the "Bonds"), I enclose copies of the following documents:

- a. Application of the Board of Visitors of The Citadel to the State Fiscal Accountability Authority (the "Authority") for issuance of the Bonds. This application will be formally approved by the Board of Visitors on September 20, 2019, and a signed original thereafter supplied to you.
- b. Proposed resolution of the Authority approving the issuance of the Bonds in an amount not to exceed \$39,000,000. We will also email you this document, as requested.
- c. Draft of the form of the opinion of this firm as Bond Counsel to be delivered to the Authority and purchaser of the Bonds in final form upon the issuance of the Bonds.

We request that this matter be taken up by the Authority at its meeting of October 15, 2019. The Citadel has supplied the Office of the State Treasurer with a completed Bond Counsel selection form, and Kevin Kibler and I will be cooperating on completion of the NDIF form.

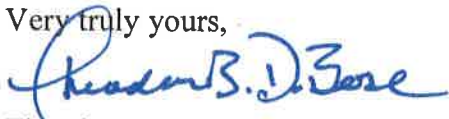
**HAYNSWORTH
SINKLER BOYD**

Mr. Delbert H. Singleton, Jr.
September 6, 2019
Page 2

By this letter, we are providing copies of the foregoing documents to the Office of the State Treasurer and to The Citadel.

Please do not hesitate to contact me should you have any questions regarding this matter.

Very truly yours,



Theodore B. DuBose

Enclosures

cc: Kevin Kibler, Office of the State Treasurer
Charles L. Cansler, The Citadel

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING THIRTY-NINE MILLION DOLLARS (\$39,000,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA), 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 October 15, 2019

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EXHIBIT A Debt Service Requirements on all State Institution Bonds Issued by the State of South Carolina on Behalf of The Citadel, the Military College of South Carolina

EXHIBIT B Schedule of Tuition Fees

EXHIBIT C Pro Forma Debt Service Requirements of Not Exceeding \$39,000,000 State of South Carolina General Obligation State Institution Bonds, at Prevailing Rates of Interest

EXHIBIT D Schedule Showing Pro Forma Total Principal and Interest Requirements of All General Obligation State Institution Bonds Issued by the State of South Carolina on Behalf of The Citadel, the Military College of South Carolina Including the Proposed Issue of \$39,000,000 of General Obligation State Institution Bonds, at Prevailing Rates of Interest

EXHIBIT E Proof Showing Compliance with Enabling Act

EXHIBIT F Form of Proposed Bonds

EXHIBIT G Form of Official Notice of Sale

EXHIBIT H Form of Continuing Disclosure Undertaking

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING THIRTY-NINE MILLION DOLLARS (\$39,000,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA), 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 bonds provided for herein, the South Carolina State Fiscal Accountability Authority (the "Authority") 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 1.01 General Findings of Authorization.

(a) The Authority is authorized by Title 59, Chapter 107 of the Code of Laws of South Carolina 1976, as amended (the "Enabling Act") to make provision for the issuance of General Obligation State Institution Bonds ("State Institution Bonds") on behalf of state institutions (the "Institutions") of the State of South Carolina (the "State"), including The Citadel, the Military College of South Carolina ("The Citadel"), the proceeds of which may be used for any one or more of the following purposes:

(i) to construct, reconstruct, maintain, improve, furnish and refurnish the buildings and other permanent improvements for the Institutions,

(ii) to defray the costs of acquiring or improving land needed as sites for such improvements or for the campus of any of the Institutions,

(iii) to reimburse the Institutions for expenses incurred in anticipation of the issuance of State Institution Bonds, or

(iv) to refund State Institution Bonds heretofore issued for the Institutions and which shall on such occasion be outstanding.

(b) Pursuant to the provisions of a resolution adopted by the Board of Visitors of The Citadel (the "Board of Visitors") on September 20, 2019 (the "Board Resolution"), the Board of Visitors has requested the Authority to authorize the Governor and the State Treasurer (each as defined herein) to issue General Obligation State Institution Bonds pursuant to the Enabling Act in the aggregate principal amount of not exceeding \$39,000,000 to provide funds to: (i) defray a portion of the costs of designing, constructing, equipping, and furnishing a campus academic building to replace the existing academic building known as Capers Hall; (ii) reimburse The Citadel for expenses incurred in anticipation of the issuance of such State Institution Bonds ((i) and (ii), collectively, the "Project"); and (iii) pay for expenses related to the issuance of such State Institution Bonds. Moreover, the Board Resolution constituted the application to the Authority required by Section 59-107-40 of the Enabling Act and the provisions thereof contained all information necessary for the Authority to approve the application and authorize the issuance of such State Institution Bonds.

(c) The Authority has reviewed the Board Resolution and has determined to cause the issuance of not exceeding Thirty-Nine Million Dollars (\$39,000,000) aggregate principal amount General Obligation State Institution Bonds (Issued on Behalf of The Citadel, the Military College of South

Carolina), of the State of South Carolina (the “Bonds”), or one or more BANs (as defined herein) in anticipation thereof, for the purposes described in paragraph (b) above.

Section 1.02 Findings Required by the Enabling Act.

The Authority makes the following findings pursuant to Section 59-107-50 of the Enabling Act in connection with the application of The Citadel for issuance of General Obligation State Institution Bonds in the amount of not exceeding \$39,000,000, which sum will be used to pay a portion of the costs of the Project and to pay the costs of issuance of the Bonds.

- (a) That a definite and immediate need for the Project exists;
- (b) There are presently outstanding \$0 aggregate principal amount State Institution Bonds secured by the Tuition Fees (as hereinafter defined) of The Citadel as set forth in Exhibit A attached hereto;
- (c) A satisfactory and proper schedule of Tuition Fees as set forth in Exhibit B attached hereto is in effect at The Citadel;
- (d) A pro forma debt service table setting forth annual principal and interest requirements of the Bonds based on prevailing rates of interest per annum is set forth on Exhibit C attached hereto. Exhibit D attached hereto sets forth the aggregate debt service requirements of the outstanding State Institution Bonds issued on behalf of The Citadel and the Bonds at prevailing rates of interest. Exhibit E attached hereto shows the sums received by The Citadel as Tuition Fees for the Fiscal Year (as hereinafter defined) ended June 30, 2019, and establishes that, based on prevailing rates of interest per annum on the Bonds, the maximum annual debt service on the outstanding State Institution Bonds issued on behalf of The Citadel and the Bonds will not be greater than 90% of the Tuition Fees received by The Citadel for the Fiscal Year ended June 30, 2019;
- (e) The Citadel has agreed that the schedule of the Tuition Fees for The Citadel shall be revised from time to time and whenever necessary to provide not less than the sum needed to pay the annual principal and interest requirements on the Bonds and on all outstanding State Institution Bonds issued on behalf of The Citadel; and
- (f) The Authority has made the findings required of it by Section 59-107-50 of the Enabling Act, and has accepted the Board Resolution as the application required by Section 59-107-40 of the Enabling Act.

Section 1.03 Determination of Compliance with Debt Limitation.

Section 59-107-90 of the Enabling Act and Section 11-27-30(4) of the South Carolina Code, each provide that the debt limitation applicable to State Institution Bonds is that sum resulting from the provisions of subparagraph (b) of paragraph 6 of Section 13 of Article X of the South Carolina Constitution, which provides that the maximum annual debt service on State Institution Bonds issued for an Institution may not be greater than 90% of the sum of the Tuition Fees received by such Institution for the preceding Fiscal Year. The table set forth in Exhibit E attached hereto demonstrates that the maximum annual debt service on all State Institution Bonds issued on behalf of The Citadel following the issuance of the Bonds will not exceed the proviso contained in the preceding sentence with respect to outstanding State Institution Bonds and the Bonds with interest calculated thereon at prevailing rates of interest. Further, the Authority finds that the total aggregate principal amount of State Institution Bonds issued on behalf of The Citadel to be outstanding, following the issuance of the Bonds at prevailing rates of interest authorized by the provisions of this Resolution, will not exceed \$39,000,000.

Section 1.04 Determination of Amount of Bonds Herein Authorized.

The Authority finds that it is necessary to issue the Bonds in the aggregate principal amount of not exceeding \$39,000,000 or one or more BANs in anticipation thereof, in order to provide funds which will be used to pay all or a portion of the costs of the Project, to pay the principal of and interest on the BANs, if any, and to pay the costs of issuance of such BANs or the Bonds.

[End of Article I]

ARTICLE II DEFINITIONS AND CONSTRUCTION

Section 2.01 Definitions.

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

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

“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 Authority to perform such act or sign such document.

“BAN” or “BANs” means any of the bond anticipation notes issued hereunder and pursuant to the BAN Act.

“BAN Act” means Title 11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended.

“Bond” or “Bonds” means any of the General Obligation State Institution Bonds (Issued on Behalf of The Citadel, the Military College of South Carolina), authorized by this Resolution, and also means, if the context so requires, any BAN or BANs issued in anticipation of the issuance of such Bonds.

“Bondholder” or “Holder” or “Holders of Bonds” or “Owner” or similar term means, when used with respect to a Bond or Bonds or BANs, any person who shall be registered as the owner of any Bond or BAN 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 H hereto, and delivered at or prior to the closing of the Bonds as required by United States 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 or BANs.

“Enabling Act” means Title 59, Chapter 107 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 pursuant to one or more escrow deposit agreements.

“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.

“Governor” means the Governor of the State.

“Outstanding” means, when used in this Resolution with respect to Bonds or BANs, as of any date, all Bonds or BANs theretofore authenticated and delivered pursuant to this Resolution except Bonds or BANs (or portions thereof):

- (i) cancelled or delivered to the Registrar for cancellation on or before such date;
- (ii) deemed to have been paid in accordance with the provisions of Section 7.01 hereof; and
- (iii) in lieu of or in exchange for which another Bond or BAN shall have been authenticated and delivered pursuant to Article III of this Resolution.

“Paying Agent” means any bank, trust company, or national banking association which is authorized to pay the principal or Redemption Price of, or interest on any Bonds or BANs, 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.

“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 or BANs and shall effect the exchange and transfer of the Bonds or BANs 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.

“Secretary of State” means the Secretary of State of the State of South Carolina.

“Series” or “Series of Bonds” means a series of Bonds issued pursuant to the authorizations of the Enabling 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 Request” means a written request of the State signed by an Authorized Officer.

“State Treasurer” means the Treasurer of the State of South Carolina.

“Taxable Series” means a Series of Bonds so designated by the State Treasurer, the interest upon which is not excludable from income for federal income tax purposes.

“Tuition Fees” means those fees charged by The Citadel for tuition, matriculation and registration. The term does not include sums charged for enrolling in courses or classes offered for any summer school term or any special seminar, nor shall the term relate to or include fees levied or charged for purposes other than for the purposes of the Enabling Act.

Section 2.02 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.

[End of Article II]

ARTICLE III ISSUANCE OF BONDS

Section 3.01 Direction to Governor and State Treasurer.

The Governor and the State Treasurer are hereby directed to effect the issuance of not to exceed \$39,000,000 principal amount of General Obligation State Institution Bonds in accordance with the provisions of this Resolution.

Section 3.02 Ordering the Issuance of Bonds; Principal Amount.

Pursuant to the provisions of the Enabling Act, and for the purpose of obtaining funds to pay all or a portion of the costs of the Project and to pay certain costs of issuance of the Bonds described in Section 1.02 hereof, there shall be issued not exceeding Thirty-Nine Million Dollars (\$39,000,000) aggregate principal amount of general obligation bonds of the State, designated "General Obligation State Institution Bonds (Issued on Behalf of The Citadel, the Military College of South Carolina), Series 2019." 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 Bonds may be issued as a single Series or in two or more separate Series or may be issued in combination with other issues of State general obligation bonds, as determined by the State Treasurer. The final principal amount of the Bonds shall be determined by the State Treasurer.

Section 3.03 Maturity Schedule of Bonds.

The Bonds shall mature in each of the Fiscal Years and in the Principal Installments determined by the State Treasurer, provided that the aggregate principal amount of Bonds issued hereunder does not exceed \$39,000,000. The Bonds shall bear interest at rates determined in the manner prescribed by Section 3.16 hereof. The State Treasurer is hereby authorized to adjust the maturity schedule as to the principal amount maturing in a particular year and as to the dates on which the principal is to be repaid 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.

Section 3.04 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 3.05 Medium of Payment; Form and Denomination of Bonds; Place of Payment of Principal.

(a) The Bonds shall be payable as to Principal Installment, Redemption Price 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 \$1,000 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 or Redemption Price 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 3.09 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 or Redemption Price 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 3.06 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 and Paying Agent. In the event that Bonds are issued in two or more Series, references in this Resolution to the Registrar and Paying Agent shall mean the Registrar and Paying Agent for a given Series.

Section 3.07 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 the form set forth in the form of the Bond attached to this Resolution as Exhibit F, 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 3.08 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 3.09 Transferability and Registry.

All Bonds shall at all times, when the same are Outstanding, be payable, both as to Principal Installment, Redemption Price 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 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 (i) issue, exchange or transfer any Bond during the 15 days next preceding any Bond Payment Date, (ii) issue, exchange or transfer any Bonds during a period beginning at the opening of business 15 days next preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the mailing of notice of such redemption, or (iii) transfer or exchange any Bonds called or being called for redemption in whole or in part.

Section 3.12 Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If any mutilated Bond is surrendered to the Registrar and the Registrar and 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, Redemption Price and interest on such Bond and for all other purposes, and payment of the Principal Installment, Redemption Price 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 or redemption 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 or Redemption Price 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 interest cost to the State at a price of not less than par, but:

- (a) all Bonds of the same maturity shall bear the same rate of interest;
 - (b) no rate of interest named shall be more than five (5.00) percentage points;
 - (c) a zero (0.0) percentage point rate of interest is not permitted;
 - (d) each interest rate named shall be a multiple of 1/8th or 1/20th of one (1) percentage point;
- and
- (e) any premium offered must be paid in cash as a part of the purchase price;

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, (iv) achieve a more favorable interest rate at the sale of the Bonds and (v) establish a maximum interest rate or maximum interest rates as necessary to maintain compliance with the provisions of the Enabling Act. 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 Installments 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 the same respectively mature, the full faith, credit and taxing power of the State are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by The Citadel are also pledged. In accordance with the provisions of Section 11-29-30 of the South Carolina Code, and in order to provide for the punctual payment of the Principal Installments and interest on the Bonds herein authorized, the State Treasurer is directed to set aside from the Tuition Fees received in each Fiscal Year in which the interest on and Principal Installment of the Bonds are due or will become due so much of the revenues derived from such Tuition Fees as may be necessary in order 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 moneys to the punctual payment of such principal and interest as the same respectively fall due. In the event that the revenues derived from the Tuition Fees so pledged 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 Article X, Section 13, Paragraph 4 of the South Carolina Constitution if 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 and interest on the Bonds then due.

Section 3.19 Tuition Fee Deposits.

As provided in Section 59-107-180 of the Enabling Act, the State Treasurer shall establish a special fund into which all Tuition Fees shall be deposited and applied to the payment of principal, interest and premium, if any, on the Bonds. The State Treasurer further shall establish for the Bonds a "special debt service and reserve fund" within this special fund as prescribed by Section 59-107-180 of the Enabling Act. Such special fund and the "special debt service and reserve fund" therein shall be maintained at all times as provided in said Section 59-107-180 of the Enabling Act.

Section 3.20 Bonds Issued in Book-Entry Only Form.

(a) Unless otherwise determined by the State Treasurer, the Bonds will initially be issued under a 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. 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) So 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 or Redemption Price 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 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, Redemption Price 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 F attached hereto and made a part of this Resolution.

Section 3.22 Borrowing in Anticipation of Issuance of Bonds.

Pursuant to the BAN Act, there may be issued from time to time at the discretion of the Governor and the State Treasurer BANs in aggregate principal amount not exceeding \$39,000,000 in anticipation of the issuance of Bonds. If BANs are issued and if, upon the maturity thereof the Governor and the State Treasurer should determine that it would be in the best interest of the State to renew or refund the BANs, they are authorized to renew or refund the BANs from time to time until the Governor and the State Treasurer determine to issue the Bonds on the basis as aforesaid, and the Bonds are issued.

(a) The BANs shall be dated and bear interest from the Dated Date thereof, payable upon the stated maturity thereof and shall mature on such dates as determined by the State Treasurer, provided that no BAN shall mature on a date which is later than one year following the issuance thereof. Interest on the BANs shall be calculated on the basis of a 360-day year of twelve 30-day months. The BANs shall be payable, both as to principal and interest, in legal tender upon maturity, at the principal office of the Paying Agent. The BANs may be issued in denominations of \$1,000 and integral multiples thereof. The BANs shall be executed in the name and on behalf of the State by the manual or facsimile signature of the Governor and the State Treasurer with the Great Seal of the State (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon and attested by the Secretary of State. BANs bearing the manual or facsimile signature of any Person who shall have been such an Authorized Officer at the time such BANs were so executed shall bind the State notwithstanding the fact that he may have ceased to be such Authorized Officer prior to the authentication and delivery of such BANs or was not such Authorized Officer at the date of the authentication and delivery of the BANs.

(b) The State Treasurer shall appoint a financial institution maintaining corporate trust offices to serve as Registrar and Paying Agent for the BANs.

(c) The Authority hereby authorizes the State Treasurer to cause to be prepared and to "deem final" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission a preliminary official statement relating to the BANs and to cause to be prepared and to approve a final official statement following the sale of the BANs. The Authority hereby authorizes the use of said preliminary official statement and final official statement and the information contained therein in connection with the public offering and sale of the BANs. If the BANs are offered and sold to a financial institution to be held for its own account, the State Treasurer shall not be required to (i) prepare a preliminary official statement or final official statement if such purchaser executes and delivers an investment letter in form and content acceptable to the State Treasurer, or (ii) undertake any obligation to deliver a Continuing Disclosure Undertaking.

(d) The BANs may be sold at public or private sale. Bids therefor shall be received until such time and date to be selected by the State Treasurer. Notice of sale of the BANs shall be given in a manner determined by the State Treasurer. Upon receipt of bids for the BANs, the Governor and the State Treasurer shall, and they are hereby authorized to, award the BANs 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 Authority if the Governor and the State Treasurer shall determine that it is in the interest of the State to make such award.

(e) The BANs shall be issued in such form and with such terms and conditions, not inconsistent with this Resolution, as shall be determined by the State Treasurer. No BAN 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 BAN a certificate of authentication duly executed by the manual signature of the

Registrar and such certificate of authentication upon any BAN executed on behalf of the State shall be conclusive evidence that the BAN so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of the Resolution.

(f) The BANs shall be issued in fully registered form either (i) under a book-entry only system, registered in the name of Cede & Co. as the registered owner and securities depository nominee of DTC, or (ii) in physical form registered the name of the Holder, as specified by the Governor and the State Treasurer, who may permit the purchaser to make such determination. Conditions as to ownership, exchange, transfer, replacement and payment of BANs shall be as provided for Bonds herein, except as expressly provided in this Resolution to the contrary. The BANs may, at the discretion of the State Treasurer, be subject to redemption prior to their stated maturity, on such terms and conditions as the State Treasurer may prescribe, except that the maximum premium to be paid for prior redemption shall not exceed one half of one per centum (1/2%).

(g) For the payment of the principal of and interest on the BANs as the same shall fall due, the full faith, credit, and taxing power of the State shall be pledged. In addition thereto, so much of the principal proceeds of the Bonds when issued shall and is hereby directed to be applied, to the extent necessary, to the payment of the BANs; and, further, the State covenants and irrevocably pledges to effect the issuance of the Bonds or, in the alternative, to refund or renew Outstanding BANs in order that the proceeds thereof will be sufficient to provide for the retirement of any BANs issued pursuant hereto.

(h) Proceeds from the sale of the BANs shall be applied in the manner as provided by Section 6.01 herein for Bonds.

(i) Both the principal of and interest on the BANs shall be exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except estate or other transfer taxes, and certain fees or franchise taxes.

(j) The form of the BAN shall be approved by the State Treasurer.

(k) Without limiting the generality or specifics of any other provision in this Resolution, the term "Bonds" as used in Articles VII, VIII, IX and X shall include BANs.

[End of Article III]

ARTICLE IV
REDEMPTION OR PURCHASE OF BONDS

Section 4.01 Authorization of Redemption.

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

Section 4.02 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, which notice may be conditional in the discretion of the State Treasurer. 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 4.03 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; (vi) whether the redemption of the Bonds is conditioned upon any event; and (vii) 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; provided, however, that in the event of any conditional provision in the notice, the Bonds will not become due and payable as provided in this section unless such condition has been satisfied as of the redemption date. 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.

(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; provided, however, that in the event of any conditional provision in the notice, the Bonds will not become due and payable as provided in this section until such condition has been satisfied as of the redemption date. On and after the redemption date (unless the State shall default in the payment of the Redemption Price and accrued interest, or any conditional provision in the notice shall not have been satisfied as of the redemption date), 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 4.04 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 4.05 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. Provided, however, that in the event of a conditional redemption such condition is not met, this Section 4.05 is inapplicable.

Section 4.06 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 4.07 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.

[End of Article IV]

ARTICLE V SALE OF BONDS

Section 5.01 Determination of Time to Receive Bids; Form of Notice of Sale.

(a) The Bonds shall be sold at public sale on such terms as may be prescribed by the State Treasurer. 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 G 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 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.

(b) The Bonds authorized hereby, if so determined by the State Treasurer, may be issued in the form of a single instrument, subject to the following terms and conditions: (i) the Dated Date of the Bond shall be the date determined by the State Treasurer, and the Bond shall bear interest from such date; (ii) the references to "Bonds" throughout the Resolution shall be understood to refer to the single instrument authorized by this Section 5.01(b); (iii) the State Treasurer may require that the Bond bear a single, fixed rate of interest; (iv) the form of the Bonds as set forth in Exhibit F hereto and the Notice of Sale as set forth in Exhibit G hereto shall be appropriately modified; (v) the State Treasurer may determine that the State will not undertake any obligation to deliver a Continuing Disclosure Undertaking as provided in Exhibit H hereto; (vi) the State Treasurer may determine that the Bond shall not be issued in book-entry-only form, and, in lieu thereof, shall be registered directly in the name of the Holder as directed by the purchaser thereof; and (vii) the State Treasurer may determine that an official statement shall not be prepared in connection with the sale of the Bond.

Section 5.02 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 Authority 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 5.03 Official Statement.

The Authority 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 United States 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 Authority hereby authorizes the use of said preliminary official statement and final official statement and the information contained therein in connection with the public offering and sale of the Bonds.

Section 5.04 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 final official statement as that for the Bonds.

[End of Article V]

ARTICLE VI
DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 6.01 Disposition of Bond Proceeds Including Temporary Investments.

(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;

 (iii) the remaining proceeds of the Bonds shall be segregated by the State Treasurer for the account of The Citadel and shall be applied to pay all or a portion of the costs of the Project or to repay the BANs, as applicable; and

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

(b) Pending the use of Bond proceeds as provided in Sections 6.01(a) of this Section, the same shall be invested and reinvested by the State Treasurer in Authorized Investments. The investment earnings therefrom may be used either for any lawful purpose of the State, including for the purposes described in Section 6.01(a) above, or, if so required by the Code, to make any necessary rebate to the United States Government.

(c) 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 or the BANs.

[End of Article VI]

ARTICLE VII
DEFEASANCE OF BONDS

Section 7.01 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, viz.:

(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) Subject to the provisions of Section 59-107-200 of the Enabling Act, if applicable, 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 3.20 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 7.02 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.

[End of Article VII]

ARTICLE VIII CONCERNING THE FIDUCIARIES

Section 8.01 Fiduciaries; Appointment and Acceptance of Duties.

Each Fiduciary 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 8.02 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 8.03 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 hereof by the State to any Fiduciary shall be sufficiently executed if executed in the name of the State by an Authorized Officer.

Section 8.04 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 8.05 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 depositary 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 8.06 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 8.08 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 8.07 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 8.08 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 8.06 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 8.09 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 the 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 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 8.08 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.

[End of Article VIII]

ARTICLE IX
FEDERAL TAX CONSIDERATIONS

Section 9.01 Compliance with the Code.

The State will comply with all requirements of the Code in order to preserve the tax-exempt status of interest on the Bonds, including without limitation, (i) the requirement to file Form 8038-G, *Information Return for Tax-Exempt Government Obligations*, with the Internal Revenue Service, and (ii) the requirement to rebate certain arbitrage earnings to the United States Government pursuant to Section 148(f) 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 9.02 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 so long as the Bonds are Outstanding 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) five percent (5%) 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 2017-13, 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 9.03 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.

Section 9.04 Taxable Series and Taxable BANs; Inapplicability of this Article.

The State Treasurer is hereby authorized to designate a Series of Bonds as a Taxable Series. The provisions of the preceding Sections of this Article IX shall not apply to Bonds of a Taxable Series.

[End of Article IX]

ARTICLE X MISCELLANEOUS

Section 10.01 Failure to Present Bonds.

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 10.02 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 10.03 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 the findings of fact in Article I hereof, 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 10.04 Execution of Closing Documents and Certificates.

The Governor, the State Treasurer, the Secretary of State 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 10.05 Filing of Copies of Resolution.

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

Section 10.06 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 10.07 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 Authority, 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 Authority, officers and employees of the State under the provisions contained in this Section shall survive the termination of this Resolution.

Section 10.08 Continuing Disclosure.

(a) In accordance with Section 11-1-85 of the South Carolina Code, the Authority 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 10.08 shall be an action for specific performance of this covenant. The Authority 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. 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 10.08(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 H 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 United States 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 10.09 Law and Place of Enforcement of the Resolution.

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

[End of Article X]

EXHIBIT A

DEBT SERVICE REQUIREMENTS
ON ALL STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA

NO OUTSTANDING GO SIB DEBT

EXHIBIT B

THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA
SCHEDULE OF TUITION FEES IN EFFECT FOR PURPOSES OF
SECTIONS 59-107-10 ET SEQ., CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED

FEES CHARGED PER SEMESTER

	<u>In-State</u>	<u>Out-of-State</u>
Undergraduate ¹	\$500	\$877.50

¹ Full-time students only. Excludes summer session.

For the fiscal year ended June 30, 2019, the amount of receipts designated as tuition for state institution bonds purposes was not less than the sum of \$3,195,000.

The maximum principal and interest debt service payment prior to the issuance contemplated herein is \$0, as The Citadel has no outstanding State Institution Bond indebtedness.

The maximum principal and interest debt service payment after the issuance contemplated herein is anticipated to be \$2,479,768, which is anticipated to occur in the fiscal year ending June 30, 2027.

EXHIBIT C

THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA
 PRO-FORMA DEBT SERVICE REQUIREMENTS OF
 NOT EXCEEDING \$39,000,000 STATE OF SOUTH CAROLINA
 GENERAL OBLIGATION STATE INSTITUTION BONDS,
 AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	New Issue Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2021	\$ 1,015,000	\$ 429,710	\$ 1,444,710
June 30, 2022	1,750,000	725,380	2,475,380
June 30, 2023	1,770,000	705,955	2,475,955
June 30, 2024	1,790,000	686,131	2,476,131
June 30, 2025	1,810,000	666,083	2,476,083
June 30, 2026	1,830,000	645,630	2,475,630
June 30, 2027	1,855,000	624,768	2,479,768
June 30, 2028	1,875,000	603,250	2,478,250
June 30, 2029	1,895,000	580,562	2,475,562
June 30, 2030	1,920,000	556,496	2,476,496
June 30, 2031	1,945,000	531,152	2,476,152
June 30, 2032	1,980,000	499,254	2,479,254
June 30, 2033	2,015,000	461,832	2,476,832
June 30, 2034	2,060,000	419,315	2,479,315
June 30, 2035	2,105,000	372,141	2,477,141
June 30, 2036	2,155,000	320,569	2,475,569
June 30, 2037	2,215,000	264,754	2,479,754
June 30, 2038	2,275,000	204,728	2,479,728
June 30, 2039	2,335,000	140,573	2,475,573
June 30, 2040	2,405,000	72,391	2,477,391
Total	\$ 39,000,000	\$ 9,510,667	\$ 48,510,667

* Preliminary, subject to change.

EXHIBIT D

SCHEDULE SHOWING PRO-FORMA TOTAL PRINCIPAL AND INTEREST REQUIREMENTS OF
ALL GENERAL OBLIGATION STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA
INCLUDING THE PROPOSED ISSUE OF
THIRTY-NINE MILLION DOLLARS (\$39,000,000)
OF GENERAL OBLIGATION STATE INSTITUTION BONDS,
AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	Combined Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2021	\$ 1,015,000	\$ 429,710	\$ 1,444,710
June 30, 2022	1,750,000	725,380	2,475,380
June 30, 2023	1,770,000	705,955	2,475,955
June 30, 2024	1,790,000	686,131	2,476,131
June 30, 2025	1,810,000	666,083	2,476,083
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June 30, 2029	1,895,000	580,562	2,475,562
June 30, 2030	1,920,000	556,496	2,476,496
June 30, 2031	1,945,000	531,152	2,476,152
June 30, 2032	1,980,000	499,254	2,479,254
June 30, 2033	2,015,000	461,832	2,476,832
June 30, 2034	2,060,000	419,315	2,479,315
June 30, 2035	2,105,000	372,141	2,477,141
June 30, 2036	2,155,000	320,569	2,475,569
June 30, 2037	2,215,000	264,754	2,479,754
June 30, 2038	2,275,000	204,728	2,479,728
June 30, 2039	2,335,000	140,573	2,475,573
June 30, 2040	2,405,000	72,391	2,477,391
Total	\$ 39,000,000	\$ 9,510,667	\$ 48,510,667

* Preliminary, subject to change.

EXHIBIT E

THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA
PROOF SHOWING COMPLIANCE WITH
TITLE 59, CHAPTER 107, CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED

Aggregate of tuition fees received by The Citadel during preceding fiscal year ended June 30, 2019	\$ 3,195,000

Multiplied by	90%

Produces	\$ 2,875,500

Maximum annual debt service on all State Institution Bonds of The Citadel (including the proposed issue of not exceeding Thirty-Nine Million Dollars (\$39,000,000) General Obligation State Institution Bonds issued on behalf of The Citadel)	\$ 2,479,768

Margin	\$ 395,732

(FORM OF BOND)
(FACE OF BOND)

UNITED STATES OF AMERICA
 GENERAL OBLIGATION STATE INSTITUTION BOND
 (ISSUED ON BEHALF OF THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA),
 SERIES 20_____
 OF THE STATE OF SOUTH CAROLINA

No. R-1

<u>Rate of Interest</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
	____ 1, 20__	____ 1, 20__	

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 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 (\$____,000) of like tenor, except as to registered owner, numbering, rate of interest, redemption provisions, 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 107, Title 59 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 ____, 20__.

[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 respectively matures, the full faith, credit and taxing power of the State are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by The Citadel are also pledged.

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 \$1,000 and any whole multiple of \$1,000. 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

SEAL

Henry D. McMaster
Governor

Curtis M. Loftis, Jr.
State Treasurer

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], as Registrar

By: _____
Authorized Signatory

Date: _____, 20__

(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 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)

OFFICIAL NOTICE OF SALE

\$ _____*
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA)
SERIES _____

(BOOK-ENTRY-ONLY)

ELECTRONIC BIDS for the purchase of the \$ _____* General Obligation State Institution Bonds (Issued on Behalf of The Citadel, the Military College of South Carolina), Series _____ of the State of South Carolina (the "Bonds"), will be received by the Governor of the State of South Carolina (the "Governor") and the State Treasurer of the State of South Carolina (the "State Treasurer"), in the Office of the State Treasurer, Room 121, in the Wade Hampton Office Building, Capitol Complex, Columbia, South Carolina, 29201, until _____ a.m. (Eastern Time) on _____, or on such other date and time as may be established by the Governor and the State Treasurer and communicated by Thomson Municipal Market Monitor ("TM3") not later than 48 hours prior to the time the bids are to be received.

IF THE COMPETITIVE SALE REQUIREMENTS UNDER THE PROVISIONS OF TREASURY REGULATIONS SECTION 1.148-1(f)(3)(i), INCLUDING THE RECEIPT OF THREE BIDS, ARE NOT MET, ALL BIDS WILL BE REJECTED AND THE SALE OF THE BONDS WILL BE CANCELLED.

PARITY® Only. All bids must be submitted through BiDCOMP/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 IPREO, Municipal Services, telephone (212) 404-8102, or parity@ipreo.com.

Authorization and Security. The Bonds are issued pursuant to (i) Article X, Section 13(6)(b) of the South Carolina Constitution, and (ii) Title 59, Chapter 107 of the South Carolina Code, as supplemented by Section 11-27-30 of the South Carolina Code, and Section 11-29-30 of the South Carolina Code, and constitute general obligations of the State. On _____, 20__, the South Carolina State Fiscal Accountability Authority adopted a resolution providing for the issuance of the Bonds.

Description of the Bonds. 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 will be dated as of the Date of Delivery ("Dated Date") expected to be on or about _____, 20__, and bear interest at a rate or rates to be named by the successful bidder. Interest on the Bonds will be payable on _____ 1 and _____ 1 of each year commencing _____ 1, 20__. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Both principal of and interest on the Bonds 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

* Subject to adjustment as set forth herein.

debts. The Bonds will be issued in denominations of \$1,000 or any multiple thereof. The Bonds will mature on _____ 1 in the years and principal amounts as follows:

_____ 1	<u>Principal Amount*</u>	_____ 1	<u>Principal Amount*</u>

Optional Redemption. The Bonds maturing on or prior to _____, 20____, are not subject to optional redemption prior to their maturity date. The Bonds maturing after _____, 20____ are 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 _____, 20____, at the redemption price of par plus accrued interest to the date fixed for redemption.

Term Bonds. Bidders may designate in their bid two or more consecutive annual principal payments as a term bond which matures on the last Annual Principal Payment Date of the sequence. Any term bond so designated must be subject to mandatory sinking fund redemptions in each year on the Annual Principal Payment Dates such that the principal amounts subject to mandatory sinking fund redemption match the principal amounts scheduled to mature as set forth in the table above* and equal, together with the principal amount of such term bond due at its maturity, the principal amount of the term bond. There is no limitation on the number of term bonds.

Adjustments to Principal Amounts of the Bonds. As promptly as reasonably possible after the bids are received, the State will notify the bidder to whom the Bonds will be awarded, if and when such award is made, and such bidder, upon such notice, shall advise the State of the initial public offering prices of each maturity of the Bonds (the "Initial Reoffering Prices"). The Initial Reoffering Prices of the Bonds will be used to calculate the final maturity schedule and the final aggregate principal amount of the Bonds (the "Final Amounts") to achieve the State's debt service objectives. The successful bidder may not withdraw its bid or change the interest rates bid or the Initial Reoffering Prices as a result of any changes made to the revised amounts.

The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the aggregate principal amount of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount or premium, if any, but will not change the selling compensation per \$1,000 of par amount of the Bonds from the selling compensation that would have been received based on the purchase price of the winning bid and the Initial Reoffering Prices. The interest rate specified by the successful bidder for each maturity at the Initial Reoffering Price for such maturity will not change.

The Final Amounts and the adjusted purchase price will be communicated to the successful bidder as soon as possible, but no later than 5:00 p.m. (Eastern Time) on the day of the sale.

Electronic Bidding Procedures. Bids to purchase Bonds (all or none) must be submitted electronically via PARITY®. Bids will be communicated electronically to the State at _____ a.m. (Eastern

* Subject to adjustment as set forth herein.

Time) on _____, _____. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via PARITY®, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds or (3) withdraw its proposed bid. Once the bids are communicated electronically via PARITY® to the State, each bid will constitute an irrevocable and unconditional offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on PARITY® shall constitute the official time. The State will not accept bids by any means other than electronically via PARITY®.

Disclaimer. Each prospective bidder shall be solely responsible to submit its bid via PARITY® as described above. Each prospective bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. Neither the State nor PARITY® shall have any duty or obligation to provide or assure access to PARITY® to any prospective bidder, and neither the State nor PARITY® shall be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The State is using PARITY® as a communication mechanism, and not as the State's agent, to conduct the electronic bidding for the Bonds. The State is not bound by any advice and determination of PARITY® to the effect that any particular bid complies with the terms of this Official Notice of Sale and in particular the "Conditions of Sale" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their submission of bids via PARITY® are the sole responsibility of the bidders; and the State is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying, or withdrawing a bid for the Bonds, the bidder should telephone PARITY® at (212) 404-8102 and notify the State's Financial Advisor, Public Resources Advisory Group, Inc., by telephone at (212) 566-7800. To the extent any instructions or directions set forth in PARITY® conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about PARITY®, potential bidders may contact PARITY® at i-Deal (212) 404-8102.

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 all of the Bonds at the lowest interest cost (as defined below) to the State at a price of not less than the par amount of the Bonds, plus accrued interest to the date of delivery, if any. 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 must bear the same rate of interest;
- (b) No rate of interest named shall be more than five (5.0) percentage points;
- (c) A zero (0.0) percentage point rate of interest is not permitted;
- (d) Each interest rate named must be a multiple of 1/8th or 1/20th of one (1) percentage point; and
- (e) Any premium offered must be paid in cash as a part of the purchase price;

All bids must be for no less than 100 percent of the par value of the Bonds.

By submitting a bid, each bidder represents that the bidder's proposal is genuine, and not a sham or collusive, and is not made in the interest of or on behalf of any person not therein named, the bidder 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 the bidder has not in any manner sought by collusion to secure for it an advantage over any other bidder. No good faith deposit will be required.

Basis of Award. IF THE COMPETITIVE SALE REQUIREMENTS UNDER THE PROVISIONS OF TREASURY REGULATIONS SECTION 1.148-1(f)(3)(i), INCLUDING THE RECEIPT OF THREE BIDS, ARE NOT MET, ALL BIDS WILL BE REJECTED AND THE SALE OF THE BONDS WILL BE CANCELLED. If at least three bids are received and the competitive sale requirements under provision of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) are met, the Bonds will be awarded to the bidder offering to purchase all of the Bonds at the lowest interest cost to the State. The lowest interest cost shall be determined in accordance with the true interest cost (TIC) method by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the amount bid, not including interest accrued to the date of delivery (expected to be on or about _____, ____), if any.

Acceptance or Rejection of Bids. Bids will be accepted or rejected promptly after receipt and not later than by 2:00 p.m. (Eastern Time) on the day of the sale. In the event of tie low bids, the State shall select the successful bidder or bidders.

Rights Reserved. The State reserves the right to reject any and all bids and to reject any bids not complying with this Official Notice of Sale. The State also reserves the right to waive any irregularity or informality with respect to any bid.

Right to Change this Official Notice of Sale and to Postpone Offering. The State reserves the right to make changes to this Official Notice of Sale and also reserves the right to postpone, from time to time, the date and time established for the receipt of bids. Any such postponement will be announced via TM3. If any date and time fixed for the receipt of bids and the sale of the Bonds is postponed, an alternative sale date and time will be announced via TM3 at least 48 hours prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit an electronic bid for the purchase of the Bonds in conformity in all respects with the provisions of this Official Notice of Sale, except for the date and time of sale and except for any changes announced over TM3 at the time the sale date and time are announced.

Delivery of the Bonds. The Bonds will be delivered through the facilities of DTC on or about _____, _____, against payment of the purchase price therefor in federal funds.

Documents to be Delivered at Closing. The State will furnish, without cost to the successful bidder, the Bonds and the opinions of The Honorable Alan Wilson, Attorney General of the State of South Carolina; and Haynsworth Sinkler Boyd, P.A., Bond Counsel. The opinion of Bond Counsel will be attached to the back of each of the Bonds.

Tax Opinion. The opinion of Bond Counsel 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 is not an item of tax preference for purposes of the federal alternative minimum tax; 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 remains 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.

Undertakings of the Successful Bidder. The successful bidder (hereafter, the “Purchaser”) agrees to provide certificates, including, but not limited to, the issue price certificate attached hereto as Exhibit A.

CUSIP Numbers. 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. All expenses in relation to the printing of the CUSIP identification numbers on the Bonds shall be paid by the State. However, the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid by the Purchaser.

Official Statement. 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 United States Securities and Exchange Commission (the “Rule”). The only information omitted from the Preliminary Official Statement are those items permitted to be omitted under the Rule. The Preliminary Official Statement will be made 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 business days after the sale date, a mutually agreed upon number of printed 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.

Continuing Disclosure. In order to assist the Purchaser in complying with the Rule, the State will undertake, in accordance with the authorizing resolutions pursuant to which the Bonds are issued 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.

Additional Information. Prospective purchasers may obtain, in advance of the sale, copies of the Preliminary Official Statement relating to the Bonds from (i) the i-dealprospectus website, <http://www.i-dealprospectus.com>; (ii) Kevin Kibler, Senior Assistant State Treasurer, 122 Wade Hampton Office Building, Columbia, South Carolina, 29201 (telephone: (803) 734-1391; email: kevin.kibler@sto.sc.gov); or (iii) Samuel W. Howell IV, Disclosure Counsel, Howell Linkous & Nettles, LLC, The Lining House, 106 Broad Street, Charleston, South Carolina, 29401 (telephone: (843) 266-3801; email: samhowell@bond-law.com).

Henry D. McMaster, Governor of South Carolina

Curtis M. Loftis, Jr., State Treasurer of South Carolina

Dated _____, 20__

CERTIFICATE AS TO ISSUE PRICE

\$ _____ *

STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA),
SERIES 20 _____

The undersigned, a duly authorized officer of _____, as the purchaser (the "Purchaser") of the above-captioned obligations (the "Bonds") issued by the State of South Carolina (the "State"), represents and certifies, to establish the "issue price" of the Bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and certain other matters, that:

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

(d) The Purchaser has an established industry reputation for underwriting new issuances of municipal bonds.

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, ____.

(d) *Underwriter* as used herein means (i) any person that agrees pursuant to a written contract with the State (or with the lead Underwriter to form a syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the

* Subject to adjustment as set forth herein.

Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Code and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the State with respect to certain of the representations set forth in the Tax and Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by [Bond Counsel], as bond counsel to the State, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the State from time to time relating to the Bonds.

Signed this ____ day of _____, ____.

[Purchaser]

By: _____
Name: _____
Title: _____

Schedule A

Expected Offering Prices

Schedule B

Copy of Winning Bid

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "Disclosure Undertaking") is executed and delivered this ____ day of _____, 20__, by the State of South Carolina (the "State") in connection with the issuance of the State's \$ _____ General Obligation State Institution Bonds (Issued on Behalf of The Citadel, the Military College of South Carolina), Series 20__ (the "Bonds").

The Bonds are being issued pursuant to a resolution adopted on _____, 20__ (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 U.S. Securities and Exchange Commission (the "SEC") Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution or elsewhere in this Disclosure Undertaking, 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. 34-59062 (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 _____, 20__, 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, 20__, 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, 20__, 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) The Annual Report shall be submitted to the MSRB either through a web-based electronic submission interface or through electronic computer-to-computer data connections with EMMA in accordance with the submission process, document format and configuration requirements established by the MSRB. The Annual Report shall also include all related information required by the MSRB to accurately identify: (i) the category of information being provided; (ii) the period covered by the Annual Report; (iii) the issues or specific securities to which the Annual Report is related (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the State; (v) the name and date of the document; and (vi) contact information for the Dissemination Agent or the State’s submitter.

(c) 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.

(d) In the event that there is a Dissemination Agent, then not later than fifteen (15) business days prior to each due date, the State shall provide the Annual Report to the Dissemination Agent for distribution to the MSRB. 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, and stating the date it was provided to the MSRB.

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 provided to the MSRB 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 "DEBT OF THE STATE OF SOUTH CAROLINA;"

(d) Total outstanding general obligation bonds and annual debt service as set forth in the Official Statement under the headings "DEBT OF THE STATE" and "TABLES RELATING TO THE BONDS AND THEIR EFFECT ON THE DEBT OF THE STATE;" 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, if 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, which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or

business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the 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;
- (xv) incurrence of a financial obligation of an obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of an obligated person, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of an obligated person, 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 CUSIP number or shall be accompanied 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; provided, however, that any such action may be instituted only in the Federal or State courts located in Columbia, South Carolina. 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.

STATE OF SOUTH CAROLINA

Date: _____, 20__

By: _____
State Treasurer

EXHIBIT A

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

Issuer: State of South Carolina

Obligations: \$_____ General Obligation State Institution Bonds (Issued on Behalf of
The Citadel, the Military College of South Carolina), Series 20__

Date of Issuance: _____, 20__

CUSIP: _____

NOTICE IS HEREBY GIVEN that the State has not provided an Annual Report with respect to the
above-named Bonds as required by the Resolution adopted on _____, 20__. The State anticipates that
the Annual Report will be filed by _____.

STATE OF SOUTH CAROLINA

By: _____
State Treasurer

Date: _____



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 10/15/19

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: H09 Issuer: State of South Carolina Series: 2019
 Borrower (if not Issuer): The Citadel
 Bond Caption: General Obligation State Institution Bonds (Issued on Behalf of The Citadel)
 Bond Resolution Amount: \$39,000,000.00 Est. Production/Par Amt: \$31,850,000.00

(* Used to calculate initial COI percentages; STO bond issues must use Par Amt *)

Final Production/Par Amt: \$0.00

Submitted By:

ENTITY: The Citadel, The Military College of SC
 BY: Charles L Cansler, III
 ITS: Vice President for Finance & Business
 Tel: 843-953-6982
 Email: ccansler@citadel.edu

Transaction Type/Method of Sale:

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

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

MSRB (EMMA) Continuing Disclosure Responsible Party: State of South Carolina - STO

2. FINANCING (NEW PORTION)

Project #: H09-9611-PG Project Name: Capers Hall Replacement
 Project Address/Location: 171 Moultrie Street, Charleston SC Amount: \$38,397,000.00
 Project Type: New Construction County: Charleston
 Projected Avg Interest Rate: 2.835% (Proj. all-In TIC) Final Maturity: 04/01/40

3. FINANCING (REFUNDED PORTION)

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

4. FINANCING WORKING GROUP

Financial Advisor: Public Resources Advisory Group Disclosure Counsel: Howell Linkous & Nettles
 Bond Counsel: Haynsworth Sinkler Boyd Issuer's Counsel: Internal Counsel
 Underwriter: TBD - Competitive Trustee: Office of State Treasurer
 Paying Agent: US Bank 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 Citadel is constructing a replacement for Capers Hall, a 69 year old building on The Citadel campus. The planned Capers Hall is a 107,700 sq. ft. structure that will house the School of Humanities and Social Sciences. The total A-1 cost is \$67,074,358. The Citadel will finance the project with approx \$39MM in GO SIB; \$3,382,443 in Excess Debt Service; \$12,646,754 in ICPF; \$7,500,000 in Capital Reserve Funds; \$1,647,435 in Capital Improvement Fees; and, \$3,500,000 in gifts. The Citadel is currently seeking Phase II approval and will need to go out for bonding in September 2020. Prior to this date, the school will use funds on hand for expenses.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Issuer/Borrower Approval: 09/21/19	
JBRC Approval: 10/02/19	
SFAA Approval: 10/15/19	

Project Approvals - Phase II (State Funding Only)	Notes:
Issuer/Borrower Approval: 01/24/15	
JBRC Approval: 10/02/19	
SFAA Approval: 10/15/19	

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?

☐ ☒

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

Bond Proceeds	FY1	Spend Down Schedule Notes
\$	00/00/00	
\$	00/00/00	
\$ 6,753,779.80	00/00/00	COI, Construction/Renovation
\$ 6,399,500.00	00/00/00	Construction/Renovation
\$ 12,799,000.00	00/00/00	Construction/Renovation
\$ 12,799,000.00	00/00/00	Construction/Renovation
\$ 38,751,279.80		

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 31,850,000.00	\$ 67,074,358.00	Project Fund
(b) Premium/Accr. Int.	\$ 6,901,279.80	\$	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$	\$	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$ 16,029,196.76	\$	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 353,553.50	Cost of Issuance (Incl. UW Disc.)
		\$	Accrued Interest
(5) Other (Specify)		\$	Other
Type - Gifts/Cap Impr Fee	\$ 5,147,434.94	\$	Other
Residual Project Sources		\$	Other
(6) Other		\$	Other
(a) GF - CRF	\$ 7,500,000.00	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Sources	\$ 67,427,911.50	\$ 67,427,911.50	Total Project Uses

§

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	PRAG			\$ 35,000.00	\$	\$ 35,000.00
Bond Counsel	Haynsworth Sinkler Boyd			\$ 25,000.00	\$	\$ 25,000.00
Disclosure Counsel	Howell Linkous & Nettles			\$ 25,000.00	\$	\$ 25,000.00
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				\$ 27,000.00	\$	\$ 27,000.00
Underwriter's Compensation				\$ 159,250.00	\$	\$ 159,250.00
Registrar / Paying Agent				\$ 10,000.00	\$	\$ 10,000.00
Escrow Agent				\$	\$	\$
Accountant				\$	\$	\$
Verification Agent				\$	\$	\$
Printing				\$ 5,000.00	\$	\$ 5,000.00
Publishing				\$ 1,500.00	\$	\$ 1,500.00
Advertising				\$ 3,000.00	\$	\$ 3,000.00
Contingency				\$ 5,303.50	\$	\$ 5,303.50
Issuer's Fee	SC JEDA / SC SHFDA			\$	\$	\$
				\$ 353,553.50	\$	\$ 353,553.50

0.11%	#DIV/0!
0.08%	#DIV/0!
0.16%	#DIV/0!
0.27%	#DIV/0!

0.50%	#DIV/0!
0.08%	#DIV/0!
1.11%	#DIV/0!

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF October 15, 2019

REGULAR SESSION
ITEM NUMBER 12

AGENCY: Clemson University

SUBJECT: Not Exceeding \$31,000,000 General Obligation State Institution Bonds, Issued on
Behalf of Clemson University

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$31,000,000 General Obligation State Institution Bonds, Issued on behalf of Clemson University.

The proceeds of the bonds will be used to construct, reconstruct, improve, furnish and refurnish Daniel Hall and expansions thereto located on the campus of the University.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$31,000,000 General Obligation State Institution Bonds, issued on behalf of Clemson University.

ATTACHMENTS:

Pope September 3, 2019 letter; Resolution; NDIF



Pope Flynn, LLC
1411 Gervais Street, Suite 300
Post Office Box 11509 (29211)
Columbia, SC 29201

MAIN 803.354.4900
FAX 803.354.4899
www.popeflynn.com

September 3, 2019

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

Re Not Exceeding \$31,000,000 of General Obligation State Institution Bonds (Issued on Behalf of Clemson University) of the State of South Carolina (the "Bonds")

Dear Delbert:

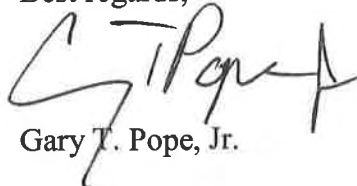
On behalf of Clemson University, in connection with the authorization of the Bonds, and in anticipation of the South Carolina State Fiscal Accountability Authority (the "Authority") meeting scheduled for October 15, 2019, we respectfully enclose the following for consideration by the Authority:

1. A copy of a resolution adopted by the Board of Trustees of Clemson University on July 18, 2019, making application to the Authority in connection with the Bonds;
2. A proposed form of opinion of Bond Counsel; and
3. A proposed form of Bond Resolution of the Authority (an electronic copy is being provided contemporaneously with this letter).

We have provided the Office of State Treasurer with copies of the Bond Counsel request form, the New Debt Information Form (NDIF) – Initial Form, and a copy of this submission package.

Please let us know should you require anything further or if you have any questions regarding the enclosed.

Best regards,



Gary T. Pope, Jr.

c: Kevin Kibler, Senior Assistant State Treasurer, Office of State Treasurer
Rick Petillo, Director of Debt and Capital Financing, Clemson University
Enclosures

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING THIRTY-ONE MILLION DOLLARS (\$31,000,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF CLEMSON UNIVERSITY), 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 October 15, 2019

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EXHIBIT A Debt Service Requirements on all State Institution Bonds Issued by the State of South Carolina on Behalf of Clemson University

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EXHIBIT D Schedule Showing Pro Forma Total Principal and Interest Requirements of All General Obligation State Institution Bonds Issued by the State of South Carolina on Behalf of Clemson University Including the Proposed Issue of \$31,000,000 of General Obligation State Institution Bonds, at Prevailing Rates of Interest

EXHIBIT E Proof Showing Compliance with Enabling Act

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EXHIBIT H Form of Continuing Disclosure Undertaking

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING THIRTY-ONE MILLION DOLLARS (\$31,000,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF CLEMSON UNIVERSITY), 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 bonds provided for herein, the South Carolina State Fiscal Accountability Authority (the "Authority") 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 1.01 General Findings of Authorization.

(a) The Authority is authorized by Title 59, Chapter 107 of the Code of Laws of South Carolina 1976, as amended (the "Enabling Act") to make provision for the issuance of General Obligation State Institution Bonds ("State Institution Bonds") on behalf of state institutions (the "Institutions") of the State of South Carolina (the "State"), including Clemson University (the "University"), the proceeds of which may be used for any one or more of the following purposes:

- (i) to construct, reconstruct, maintain, improve, furnish and refurnish the buildings and other permanent improvements for the Institutions,
- (ii) to defray the costs of acquiring or improving land needed as sites for such improvements or for the campus of any of the Institutions,
- (iii) to reimburse the Institutions for expenses incurred in anticipation of the issuance of State Institution Bonds, or
- (iv) to refund State Institution Bonds heretofore issued for the Institutions and which shall on such occasion be outstanding.

Pursuant to the provisions of a resolution adopted by the Board of Trustees of the University (the "Board of Trustees") on July 18, 2019 (the "Board Resolution"), the Board of Trustees has requested the Authority to authorize the Governor and the State Treasurer (each as defined herein) to issue General Obligation State Institution Bonds pursuant to the Enabling Act in the aggregate principal amount of not exceeding \$31,000,000 to provide funds to: (i) defray the costs of constructing, reconstructing, improving, furnishing and refurnishing Daniel Hall and expansions thereto located on the campus of the University; (ii) reimburse the University for expenses incurred in anticipation of the issuance of such State Institution Bonds ((i) and (ii), collectively, the "Project"); and (iii) pay for expenses related to the issuance of such State Institution Bonds. Moreover, the Board Resolution constituted the application to the Authority required by Section 59-107-40 of the Enabling Act and the provisions thereof contained all information necessary for the Authority to approve the application and authorize the issuance of such State Institution Bonds.

(c) The Authority has reviewed the Board Resolution and has determined to cause the issuance of not exceeding Thirty-One Million Dollars (\$31,000,000) aggregate principal amount General

Obligation State Institution Bonds (Issued on Behalf of Clemson University), of the State of South Carolina (the "Bonds"), or one or more BANs (as defined herein) in anticipation thereof, for the purposes described in paragraph (b) above.

Section 1.02 Findings Required by the Enabling Act.

The Authority makes the following findings pursuant to Section 59-107-50 of the Enabling Act in connection with the application of the University for issuance of General Obligation State Institution Bonds in the amount of not exceeding \$31,000,000, which sum will be used to pay all or a portion of the costs of the Project and to pay the costs of issuance of the Bonds.

- (a) That a definite and immediate need for the Project exists;
- (b) There are presently outstanding \$209,600,000 aggregate principal amount State Institution Bonds secured by the Tuition Fees (as hereinafter defined) of the University as set forth in Exhibit A attached hereto;
- (c) A satisfactory and proper schedule of Tuition Fees as set forth in Exhibit B attached hereto is in effect at the University;
- (d) A pro forma debt service table setting forth annual principal and interest requirements of the Bonds based on prevailing rates of interest per annum is set forth on Exhibit C attached hereto. Exhibit D attached hereto sets forth the aggregate debt service requirements of the outstanding State Institution Bonds issued on behalf of the University and the Bonds at prevailing rates of interest. Exhibit E attached hereto shows the sums received by the University as Tuition Fees for the Fiscal Year (as hereinafter defined) ended June 30, 2019, and establishes that, based on prevailing rates of interest per annum on the Bonds, the maximum annual debt service on the outstanding State Institution Bonds issued on behalf of the University and the Bonds will not be greater than 90% of the Tuition Fees received by the University for the Fiscal Year ended June 30, 2019;
- (e) The University has agreed that the schedule of the Tuition Fees for the University shall be revised from time to time and whenever necessary to provide not less than the sum needed to pay the annual principal and interest requirements on the Bonds and on all outstanding State Institution Bonds issued on behalf of the University; and
- (f) The Authority has made the findings required of it by Section 59-107-50 of the Enabling Act, and has accepted the Board Resolution as the application required by Section 59-107-40 of the Enabling Act.

Section 1.03 Determination of Compliance with Debt Limitation.

Section 59-107-90 of the Enabling Act and Section 11-27-30(4) of the South Carolina Code, each provide that the debt limitation applicable to State Institution Bonds is that sum resulting from the provisions of subparagraph (b) of paragraph 6 of Section 13 of Article X of the South Carolina Constitution, which provides that the maximum annual debt service on State Institution Bonds issued for an Institution may not be greater than 90% of the sum of the Tuition Fees received by such Institution for the preceding Fiscal Year. The table set forth in Exhibit E attached hereto demonstrates that the maximum annual debt service on all State Institution Bonds issued on behalf of the University following the issuance of the Bonds will not exceed the proviso contained in the preceding sentence with respect to outstanding State Institution Bonds and the Bonds with interest calculated thereon at prevailing rates of interest. Further, the Authority finds that the total aggregate principal amount of State Institution Bonds

issued on behalf of the University to be outstanding, following the issuance of the Bonds at prevailing rates of interest authorized by the provisions of this Resolution, will not exceed \$240,600,000.*

Section 1.04 Determination of Amount of Bonds Herein Authorized.

The Authority finds that it is necessary to issue the Bonds in the aggregate principal amount of not exceeding \$31,000,000 or one or more BANs in anticipation thereof, in order to provide funds which will be used to pay all or a portion of the costs of the Project, to pay the principal of and interest on the BANs, if any, and to pay the costs of issuance of such BANs or the Bonds.

[End of Article I]

* Preliminary, subject to change.

ARTICLE II DEFINITIONS AND CONSTRUCTION

Section 2.01 Definitions.

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

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

“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 Authority to perform such act or sign such document.

“BAN” or “BANs” means any of the bond anticipation notes issued hereunder and pursuant to the BAN Act.

“BAN Act” means Title 11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended.

“Bond” or “Bonds” means any of the General Obligation State Institution Bonds (Issued on Behalf of Clemson University), authorized by this Resolution, and also means, if the context so requires, any BAN or BANs issued in anticipation of the issuance of such Bonds.

“Bondholder” or “Holder” or “Holders of Bonds” or “Owner” or similar term means, when used with respect to a Bond or Bonds or BANs, any person who shall be registered as the owner of any Bond or BAN 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 H hereto, and delivered at or prior to the closing of the Bonds as required by United States 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 or BANs.

“Enabling Act” means Title 59, Chapter 107 of the Code of Laws of South Carolina 1976, as amended.

“Escrow Agent” means the Paying Agent or such entity or entities, as the case may be, designated by the State Treasurer to serve as escrow agent or escrow agents pursuant to one or more escrow deposit agreements.

“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.

“Governor” means the Governor of the State.

“Outstanding” means, when used in this Resolution with respect to Bonds or BANs, as of any date, all Bonds or BANs theretofore authenticated and delivered pursuant to this Resolution except Bonds or BANs (or portions thereof):

- (i) cancelled or delivered to the Registrar for cancellation on or before such date;
- (ii) deemed to have been paid in accordance with the provisions of Section 7.01 hereof; and
- (iii) in lieu of or in exchange for which another Bond or BAN shall have been authenticated and delivered pursuant to Article III of this Resolution.

“Paying Agent” means any bank, trust company, or national banking association which is authorized to pay the principal or Redemption Price of, or interest on any Bonds or BANs, 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.

“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 or BANs and shall effect the exchange and transfer of the Bonds or BANs 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.

“Secretary of State” means the Secretary of State of the State of South Carolina.

“Series” or “Series of Bonds” means a series of Bonds issued pursuant to the authorizations of the Enabling 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 Request” means a written request of the State signed by an Authorized Officer.

“State Treasurer” means the Treasurer of the State of South Carolina.

“Taxable Series” means a Series of Bonds so designated by the State Treasurer, the interest upon which is not excludable from income for federal income tax purposes.

“Tuition Fees” means those fees charged by the University for tuition, matriculation and registration. The term does not include sums charged for enrolling in courses or classes offered for any summer school term or any special seminar, nor shall the term relate to or include fees levied or charged for purposes other than for the purposes of the Enabling Act.

Section 2.02 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.

[End of Article II]

ARTICLE III ISSUANCE OF BONDS

Section 3.01 Request to Governor and State Treasurer.

The Governor and the State Treasurer are hereby requested to effect the issuance of not to exceed \$31,000,000 principal amount of General Obligation State Institution Bonds in accordance with the provisions of this Resolution.

Section 3.02 Ordering the Issuance of Bonds; Principal Amount.

Pursuant to the provisions of the Enabling Act, and for the purpose of obtaining funds to pay all or a portion of the costs of the Project and to pay certain costs of issuance of the Bonds described in Section 1.02 hereof, there shall be issued not exceeding Thirty-One Million Dollars (\$31,000,000) aggregate principal amount of general obligation bonds of the State, designated "General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2019." 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 Bonds may be issued as a single Series or in two or more separate Series or may be issued in combination with other issues of State general obligation bonds, as determined by the State Treasurer. The final principal amount of the Bonds shall be determined by the State Treasurer.

Section 3.03 Maturity Schedule of Bonds.

The Bonds shall mature in each of the Fiscal Years and in the Principal Installments determined by the State Treasurer, provided that the aggregate principal amount of Bonds issued hereunder does not exceed \$31,000,000. The Bonds shall bear interest at rates determined in the manner prescribed by Section 3.16 hereof. The State Treasurer is hereby authorized to adjust the maturity schedule as to the principal amount maturing in a particular year and as to the dates on which the principal is to be repaid 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.

Section 3.04 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 3.05 Medium of Payment; Form and Denomination of Bonds; Place of Payment of Principal.

(a) The Bonds shall be payable as to Principal Installment, Redemption Price 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 \$1,000 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 or Redemption Price 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 3.09 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 or Redemption Price 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 3.06 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 and Paying Agent. In the event that Bonds are issued in two or more Series, references in this Resolution to the Registrar and Paying Agent shall mean the Registrar and Paying Agent for a given Series.

Section 3.07 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 the form set forth in the form of the Bond attached to this Resolution as Exhibit F, 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 3.08 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 3.09 Transferability and Registry.

All Bonds shall at all times, when the same are Outstanding, be payable, both as to Principal Installment, Redemption Price 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 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 (i) issue, exchange or transfer any Bond during the 15 days next preceding any Bond Payment Date, (ii) issue, exchange or transfer any Bonds during a period beginning at the opening of business 15 days next preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the mailing of notice of such redemption, or (iii) transfer or exchange any Bonds called or being called for redemption in whole or in part.

Section 3.12 Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If any mutilated Bond is surrendered to the Registrar and the Registrar and 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, Redemption Price and interest on such Bond and for all other purposes, and payment of the Principal Installment, Redemption Price 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 or redemption 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 or Redemption Price 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 interest cost to the State at a price of not less than par, but:

- (a) all Bonds of the same maturity shall bear the same rate of interest;
 - (b) no rate of interest named shall be more than five (5.00) percentage points;
 - (c) a zero (0.0) percentage point rate of interest is not permitted;
 - (d) each interest rate named shall be a multiple of 1/8th or 1/20th of one (1) percentage point;
- and
- (e) any premium offered must be paid in cash as a part of the purchase price;

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, (iv) achieve a more favorable interest rate at the sale of the Bonds and (v) establish a maximum interest rate or maximum interest rates as necessary to maintain compliance with the provisions of the Enabling Act. 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 Installments 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 the same respectively mature, the full faith, credit and taxing power of the State are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by the University are also pledged. In accordance with the provisions of Section 11-29-30 of the South Carolina Code, and in order to provide for the punctual payment of the Principal Installments and interest on the Bonds herein authorized, the State Treasurer is directed to set aside from the Tuition Fees received in each Fiscal Year in which the interest on and Principal Installment of the Bonds are due or will become due so much of the revenues derived from such Tuition Fees as may be necessary in order 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 moneys to the punctual payment of such principal and interest as the same respectively fall due. In the event that the revenues derived from the Tuition Fees so pledged 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 Article X, Section 13, Paragraph 4 of the South Carolina Constitution if 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 and interest on the Bonds then due.

Section 3.19 Tuition Fee Deposits.

As provided in Section 59-107-180 of the Enabling Act, the State Treasurer shall establish a special fund into which all Tuition Fees shall be deposited and applied to the payment of principal, interest and premium, if any, on the Bonds. The State Treasurer further shall establish for the Bonds a "special debt service and reserve fund" within this special fund as prescribed by Section 59-107-180 of the Enabling Act. Such special fund and the "special debt service and reserve fund" therein shall be maintained at all times as provided in said Section 59-107-180 of the Enabling Act.

Section 3.20 Bonds Issued in Book-Entry Only Form.

(a) Unless otherwise determined by the State Treasurer, the Bonds will initially be issued under a 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. 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) So 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 or Redemption Price 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 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, Redemption Price 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 F attached hereto and made a part of this Resolution.

Section 3.22 Borrowing in Anticipation of Issuance of Bonds.

Pursuant to the BAN Act, there may be issued from time to time at the discretion of the Governor and the State Treasurer BANs in aggregate principal amount not exceeding \$31,000,000 in anticipation of the issuance of Bonds. If BANs are issued and if, upon the maturity thereof the Governor and the State Treasurer should determine that it would be in the best interest of the State to renew or refund the BANs, they are authorized to renew or refund the BANs from time to time until the Governor and the State Treasurer determine to issue the Bonds on the basis as aforesaid, and the Bonds are issued.

(a) The BANs shall be dated and bear interest from the Dated Date thereof, payable upon the stated maturity thereof and shall mature on such dates as determined by the State Treasurer, provided that no BAN shall mature on a date which is later than one year following the issuance thereof. Interest on the BANs shall be calculated on the basis of a 360-day year of twelve 30-day months. The BANs shall be payable, both as to principal and interest, in legal tender upon maturity, at the principal office of the Paying Agent. The BANs may be issued in denominations of \$1,000 and integral multiples thereof. The BANs shall be executed in the name and on behalf of the State by the manual or facsimile signature of the Governor and the State Treasurer with the Great Seal of the State (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon and attested by the Secretary of State. BANs bearing the manual or facsimile signature of any Person who shall have been such an Authorized Officer at the time such BANs were so executed shall bind the State notwithstanding the fact that he may have ceased to be such Authorized Officer prior to the authentication and delivery of such BANs or was not such Authorized Officer at the date of the authentication and delivery of the BANs.

(b) The State Treasurer shall appoint a financial institution maintaining corporate trust offices to serve as Registrar and Paying Agent for the BANs.

(c) The Authority hereby authorizes the State Treasurer to cause to be prepared and to "deem final" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission a preliminary official statement relating to the BANs and to cause to be prepared and to approve a final official statement following the sale of the BANs. The Authority hereby authorizes the use of said preliminary official statement and final official statement and the information contained therein in connection with the public offering and sale of the BANs. If the BANs are offered and sold to a financial institution to be held for its own account, the State Treasurer will not be required to (i) prepare a preliminary official statement or final official statement if such purchaser executes and delivers an investment letter in form and content acceptable to the State Treasurer, or (ii) undertake any obligation to deliver a Continuing Disclosure Undertaking.

(d) The BANs may be sold at public or private sale. Bids therefor shall be received until such time and date to be selected by the State Treasurer. Notice of sale of the BANs shall be given in a manner determined by the State Treasurer. Upon receipt of bids for the BANs, the Governor and the State Treasurer shall, and they are hereby authorized to, award the BANs 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 Authority if the Governor and the State Treasurer shall determine that it is in the interest of the State to make such award.

(e) The BANs shall be issued in such form and with such terms and conditions, not inconsistent with this Resolution, as shall be determined by the State Treasurer. No BAN 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 BAN a certificate of authentication duly executed by the manual signature of the Registrar and such certificate of authentication upon any BAN executed on behalf of the State shall be conclusive evidence that the BAN so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of the Resolution.

(f) The BANs shall be issued in fully registered form either (i) under a book-entry only system, registered in the name of Cede & Co. as the registered owner and securities depository nominee of DTC, or (ii) in physical form registered the name of the Holder, as specified by the Governor and the State Treasurer, who may permit the purchaser to make such determination. Conditions as to ownership, exchange, transfer, replacement and payment of BANs shall be as provided for Bonds herein, except as expressly provided in this Resolution to the contrary. The BANs may, at the discretion of the State Treasurer, be subject to redemption prior to their stated maturity, on such terms and conditions as the State Treasurer may prescribe, except that the maximum premium to be paid for prior redemption shall not exceed one half of one per centum (1/2%).

(g) For the payment of the principal of and interest on the BANs as the same shall fall due, the full faith, credit, and taxing power of the State shall be pledged. In addition thereto, so much of the principal proceeds of the Bonds when issued shall and is hereby directed to be applied, to the extent necessary, to the payment of the BANs; and, further, the State covenants and irrevocably pledges to effect the issuance of the Bonds or, in the alternative, to refund or renew Outstanding BANs in order that the proceeds thereof will be sufficient to provide for the retirement of any BANs issued pursuant hereto.

(h) Proceeds from the sale of the BANs shall be applied in the manner as provided by Section 6.01 herein for Bonds.

(i) Both the principal of and interest on the BANs shall be exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except estate or other transfer taxes, and certain fees or franchise taxes.

(j) The form of the BAN shall be approved by the State Treasurer.

(k) Without limiting the generality or specifics of any other provision in this Resolution, the term "Bonds" as used in Articles VII, VIII, IX and X shall include BANs.

[End of Article III]

ARTICLE IV
REDEMPTION OR PURCHASE OF BONDS

Section 4.01 Authorization of Redemption.

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

Section 4.02 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, which notice may be conditional in the discretion of the State Treasurer. 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 4.03 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; (vi) whether the redemption of the Bonds is conditioned upon any event; and (vii) 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; provided, however, that in the event of any conditional provision in the notice, the Bonds will not become due and payable as provided in this section unless such condition has been satisfied as of the redemption date. 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.

(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; provided, however, that in the event of any conditional provision in the notice, the Bonds will not become due and payable as provided in this section until such condition has been satisfied as of the redemption date. On and after the redemption date (unless the State shall default in the payment of the Redemption Price and accrued interest, or any conditional provision in the notice shall not have been satisfied as of the redemption date), 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 4.04 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 4.05 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. Provided, however, that in the event of a conditional redemption such condition is not met, this Section 4.05 is inapplicable.

Section 4.06 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 4.07 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.

[End of Article IV]

ARTICLE V SALE OF BONDS

Section 5.01 Determination of Time to Receive Bids; Form of Notice of Sale.

(a) The Bonds shall be sold at public sale on such terms as may be prescribed by the State Treasurer. 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 G 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 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.

(b) The Bonds authorized hereby, if so determined by the State Treasurer, may be issued in the form of a single instrument, subject to the following terms and conditions: (i) the Dated Date of the Bond shall be the date determined by the State Treasurer, and the Bond shall bear interest from such date; (ii) the references to "Bonds" throughout the Resolution shall be understood to refer to the single instrument authorized by this Section 5.01(b); (iii) the State Treasurer may require that the Bond bear a single, fixed rate of interest; (iv) the form of the Bonds as set forth in Exhibit F hereto and the Notice of Sale as set forth in Exhibit G hereto shall be appropriately modified; (v) the State Treasurer may determine that the State will not undertake any obligation to deliver a Continuing Disclosure Undertaking as provided in Exhibit H hereto; (vi) the State Treasurer may determine that the Bond shall not be issued in book-entry-only form, and, in lieu thereof, shall be registered directly in the name of the Holder as directed by the purchaser thereof; and (vii) the State Treasurer may determine that an official statement shall not be prepared in connection with the sale of the Bond.

Section 5.02 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 Authority 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 5.03 Official Statement.

The Authority 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 United States 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 Authority hereby authorizes the use of said preliminary official statement and final official statement and the information contained therein in connection with the public offering and sale of the Bonds.

Section 5.04 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 final official statement as that for the Bonds.

[End of Article V]

ARTICLE VI
DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 6.01 Disposition of Bond Proceeds Including Temporary Investments.

(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;

(iii) the remaining proceeds of the Bonds shall be segregated by the State Treasurer for the account of the University and shall be applied to pay all or a portion of the costs of the Project or to repay the BANs, as applicable; and

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

(b) Pending the use of Bond proceeds as provided in Sections 6.01(a) of this Section, the same shall be invested and reinvested by the State Treasurer in Authorized Investments. The investment earnings therefrom may be used either for any lawful purpose of the State, including for the purposes described in Section 6.01(a) above, or, if so required by the Code, to make any necessary rebate to the United States Government.

(c) 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 or the BANs.

[End of Article VI]

ARTICLE VII
DEFEASANCE OF BONDS

Section 7.01 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, viz.:

(a) The 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) Subject to the provisions of Section 59-107-200 of the Enabling Act, if applicable, 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 3.20 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 7.02 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.

[End of Article VII]

ARTICLE VIII
CONCERNING THE FIDUCIARIES

Section 8.01 Fiduciaries; Appointment and Acceptance of Duties.

Each Fiduciary 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 8.02 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 8.03 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 hereof by the State to any Fiduciary shall be sufficiently executed if executed in the name of the State by an Authorized Officer.

Section 8.04 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 8.05 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 depositary 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 8.06 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 8.08 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 8.07 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 8.08 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 8.06 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 8.09 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 the 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 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 8.08 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.

[End of Article VIII]

ARTICLE IX
FEDERAL TAX CONSIDERATIONS

Section 9.01 Compliance with the Code.

The State will comply with all requirements of the Code in order to preserve the tax-exempt status of interest on the Bonds, including without limitation, (i) the requirement to file Form 8038-G, *Information Return for Tax-Exempt Government Obligations*, with the Internal Revenue Service, and (ii) the requirement to rebate certain arbitrage earnings to the United States Government pursuant to Section 148(f) 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 9.02 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 so long as the Bonds are Outstanding 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) five percent (5%) 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 2017-13, 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 9.03 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.

Section 9.04 Taxable Series and Taxable BANS; Inapplicability of this Article.

The State Treasurer is hereby authorized to designate a Series of Bonds as a Taxable Series. The provisions of the preceding Sections of this Article IX shall not apply to Bonds of a Taxable Series.

[End of Article IX]

ARTICLE X MISCELLANEOUS

Section 10.01 Failure to Present Bonds.

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 10.02 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 10.03 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 the findings of fact in Article I hereof, 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 10.04 Execution of Closing Documents and Certificates.

The Governor, the State Treasurer, the Secretary of State 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 10.05 Filing of Copies of Resolution.

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

Section 10.06 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 10.07 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 Authority, 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 Authority, officers and employees of the State under the provisions contained in this Section shall survive the termination of this Resolution.

Section 10.08 Continuing Disclosure.

(a) In accordance with Section 11-1-85 of the South Carolina Code, the Authority 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 10.08 shall be an action for specific performance of this covenant. The Authority 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. 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 10.08(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 H 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 United States 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 10.09 Law and Place of Enforcement of the Resolution.

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

[End of Article X]

EXHIBIT A

DEBT SERVICE REQUIREMENTS
ON ALL STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF CLEMSON UNIVERSITY

Fiscal Year Ending	Existing Debt Service		Total Debt Service
	Principal	Interest	
June 30, 2020	\$ 10,240,000	\$ 8,307,011	\$ 18,547,011
June 30, 2021	10,450,000	7,840,713	18,290,713
June 30, 2022	10,770,000	7,349,213	18,119,213
June 30, 2023	11,310,000	6,810,713	18,120,713
June 30, 2024	11,875,000	6,245,213	18,120,213
June 30, 2025	12,470,000	5,651,463	18,121,463
June 30, 2026	13,095,000	5,027,963	18,122,963
June 30, 2027	13,735,000	4,390,763	18,125,763
June 30, 2028	14,310,000	3,808,663	18,118,663
June 30, 2029	14,900,000	3,219,363	18,119,363
June 30, 2030	14,955,000	2,862,025	17,817,025
June 30, 2031	15,080,000	2,233,825	17,313,825
June 30, 2032	10,665,000	1,694,219	12,359,219
June 30, 2033	10,835,000	1,376,494	12,211,494
June 30, 2034	11,015,000	1,049,431	12,064,431
June 30, 2035	8,815,000	712,519	9,527,519
June 30, 2036	8,925,000	452,400	9,377,400
June 30, 2037	5,375,000	184,650	5,559,650
June 30, 2038	385,000	23,400	408,400
June 30, 2039	395,000	11,850	406,850
Total	\$ 209,600,000	\$ 69,251,886	\$ 278,851,886

EXHIBIT B

CLEMSON UNIVERSITY
SCHEDULE OF TUITION FEES IN EFFECT FOR PURPOSES OF
SECTIONS 59-107-10 ET SEQ., CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED

	<u>In-State</u>	<u>Out-of-State</u>
Undergraduate		
Full-Time ¹	860	2,085
Matriculation ¹	5	5
Part-Time ²	77	184
Matriculation ¹	5	5
Graduate		
Full-Time ¹	860	2,085
Matriculation ¹	5	5
Part-Time ²	77	77
Matriculation ¹	5	5
Graduate Assistant ¹	10	10
Matriculation ¹	5	5

¹ Per Semester.

² Per Credit Hour.

For the fiscal year ended June 30, 2019, the amount of receipts designated as tuition for state institution bonds purposes was not less than the sum of \$43,154,545. The tuition and fees generated for the 2019 summer term are not included.

The maximum principal and interest debt service payment prior to the issuance contemplated herein is \$18,547,011, which occurs in the fiscal year ending June 30, 2020.

The maximum principal and interest debt service payment after the issuance contemplated herein is anticipated to be \$20,371,092*, which is anticipated to occur in the fiscal year ending June 30, 2021.

* Preliminary, subject to change.

EXHIBIT C

CLEMSON UNIVERSITY
 PRO-FORMA DEBT SERVICE REQUIREMENTS OF
 NOT EXCEEDING \$31,000,000 STATE OF SOUTH CAROLINA
 GENERAL OBLIGATION STATE INSTITUTION BONDS,
 AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	New Issue Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2020	\$ 340,000	\$ 181,336	\$ 521,336
June 30, 2021	1,360,000	720,379	2,080,379
June 30, 2022	1,375,000	700,387	2,075,387
June 30, 2023	1,400,000	680,037	2,080,037
June 30, 2024	1,420,000	659,177	2,079,177
June 30, 2025	1,440,000	637,451	2,077,451
June 30, 2026	1,465,000	614,699	2,079,699
June 30, 2027	1,485,000	590,673	2,075,673
June 30, 2028	1,515,000	565,280	2,080,280
June 30, 2029	1,540,000	538,313	2,078,313
June 30, 2030	1,570,000	509,823	2,079,823
June 30, 2031	1,600,000	476,382	2,076,382
June 30, 2032	1,640,000	438,622	2,078,622
June 30, 2033	1,680,000	396,638	2,076,638
June 30, 2034	1,725,000	350,774	2,075,774
June 30, 2035	1,775,000	301,266	2,076,266
June 30, 2036	1,830,000	248,194	2,078,194
June 30, 2037	1,885,000	191,464	2,076,464
June 30, 2038	1,945,000	131,332	2,076,332
June 30, 2039	2,010,000	67,536	2,077,536
Total	\$ 31,000,000	\$ 8,999,758	\$ 39,999,758

EXHIBIT D

SCHEDULE SHOWING PRO-FORMA TOTAL PRINCIPAL AND INTEREST REQUIREMENTS OF
ALL GENERAL OBLIGATION STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF CLEMSON UNIVERSITY
INCLUDING THE PROPOSED ISSUE OF
THIRTY-ONE MILLION DOLLARS (\$31,000,000)
OF GENERAL OBLIGATION STATE INSTITUTION BONDS,
AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	Combined Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2020	\$ 10,580,000	\$ 8,488,347	\$ 19,068,347
June 30, 2021	11,810,000	8,561,092	20,371,092
June 30, 2022	12,145,000	8,049,600	20,194,600
June 30, 2023	12,710,000	7,490,750	20,200,750
June 30, 2024	13,295,000	6,904,390	20,199,390
June 30, 2025	13,910,000	6,288,914	20,198,914
June 30, 2026	14,560,000	5,642,662	20,202,662
June 30, 2027	15,220,000	4,981,436	20,201,436
June 30, 2028	15,825,000	4,373,942	20,198,942
June 30, 2029	16,440,000	3,757,675	20,197,675
June 30, 2030	16,525,000	3,371,848	19,896,848
June 30, 2031	16,680,000	2,710,207	19,390,207
June 30, 2032	12,305,000	2,132,840	14,437,840
June 30, 2033	12,515,000	1,773,131	14,288,131
June 30, 2034	12,740,000	1,400,205	14,140,205
June 30, 2035	10,590,000	1,013,785	11,603,785
June 30, 2036	10,755,000	700,594	11,455,594
June 30, 2037	7,260,000	376,114	7,636,114
June 30, 2038	2,330,000	154,732	2,484,732
June 30, 2039	2,405,000	79,386	2,484,386
Total	\$ 240,600,000	\$ 78,251,645	\$ 318,851,645

* Preliminary, subject to change.

EXHIBIT E

CLEMSON UNIVERSITY
PROOF SHOWING COMPLIANCE WITH
TITLE 59, CHAPTER 107, CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED

Aggregate of tuition fees received by the University
during preceding fiscal year ended June 30, 2019 \$ 43,154,545

Multiplied by 90%

Produces \$ 38,839,091

Maximum annual debt service on all State Institution
Bonds of the University (including the proposed
issue of not exceeding Thirty-One Million Dollars
(\$31,000,000) General Obligation State Institution
Bonds issued on behalf of the University)
\$ 20,371,092

Margin \$ 18,467,999

(FORM OF BOND)
(FACE OF BOND)UNITED STATES OF AMERICA
GENERAL OBLIGATION STATE INSTITUTION BOND
(ISSUED ON BEHALF OF CLEMSON UNIVERSITY), SERIES 20__
OF THE STATE OF SOUTH CAROLINA

No. R-1

<u>Rate of Interest</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
	<u> </u> 1, 20__	<u> </u> 1, 20__	

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 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 (\$_____,000) of like tenor, except as to registered owner, numbering, rate of interest, redemption provisions, 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 107, Title 59 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 _____, 20__.

[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 respectively matures, the full faith, credit and taxing power of the State are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by the University are also pledged.

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 \$1,000 and any whole multiple of \$1,000. 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

SEAL

Henry D. McMaster
Governor

Curtis M. Loftis, Jr.
State Treasurer

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], as Registrar

By: _____
Authorized Signatory

Date: _____, 20__

(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 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	UNIF GIFT MIN ACT _____	Custodian _____
TEN ENT --	as tenants by the entireties	(Cust)	(Minor)
JT TEN --	as joint tenants with right of survivorship and not as tenants in common	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)

OFFICIAL NOTICE OF SALE

\$ _____ *

STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF CLEMSON UNIVERSITY)
SERIES _____

(BOOK-ENTRY-ONLY)

ELECTRONIC BIDS for the purchase of the \$ _____ * General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series _____ of the State of South Carolina (the "Bonds"), will be received by the Governor of the State of South Carolina (the "Governor") and the State Treasurer of the State of South Carolina (the "State Treasurer"), in the Office of the State Treasurer, Room 121, in the Wade Hampton Office Building, Capitol Complex, Columbia, South Carolina, 29201, until _____ a.m. (Eastern Time) on _____, or on such other date and time as may be established by the Governor and the State Treasurer and communicated by Thomson Municipal Market Monitor ("TM3") not later than 48 hours prior to the time the bids are to be received.

IF THE COMPETITIVE SALE REQUIREMENTS UNDER THE PROVISIONS OF TREASURY REGULATIONS SECTION 1.148-1(f)(3)(i), INCLUDING THE RECEIPT OF THREE BIDS, ARE NOT MET, ALL BIDS WILL BE REJECTED AND THE SALE OF THE BONDS WILL BE CANCELLED.

PARITY® Only. All bids must be submitted through BiDCOMP/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 IPREO, Municipal Services, telephone (212) 404-8102, or parity@ipreo.com.

Authorization and Security. The Bonds are issued pursuant to (i) Article X, Section 13(6)(b) of the South Carolina Constitution, and (ii) Title 59, Chapter 107 of the South Carolina Code, as supplemented by Section 11-27-30 of the South Carolina Code, and Section 11-29-30 of the South Carolina Code, and constitute general obligations of the State. On _____, 20__, the South Carolina State Fiscal Accountability Authority adopted a resolution providing for the issuance of the Bonds.

Description of the Bonds. 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 will be dated as of the Date of Delivery ("Dated Date") expected to be on or about _____, 20__, and bear interest at a rate or rates to be named by the successful bidder. Interest on the Bonds will be payable on _____ 1 and _____ 1 of each year commencing _____ 1, 20__. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Both principal of and interest on the Bonds 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. The

* Subject to adjustment as set forth herein.

Bonds will be issued in denominations of \$1,000 or any multiple thereof. The Bonds will mature on _____ 1 in the years and principal amounts as follows:

_____ 1	<u>Principal Amount*</u>	_____ 1	<u>Principal Amount*</u>

Optional Redemption. The Bonds maturing on or prior to _____, 20____, are not subject to optional redemption prior to their maturity date. The Bonds maturing after _____, 20____ are 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 _____, 20____, at the redemption price of par plus accrued interest to the date fixed for redemption.

Term Bonds. Bidders may designate in their bid two or more consecutive annual principal payments as a term bond which matures on the last Annual Principal Payment Date of the sequence. Any term bond so designated must be subject to mandatory sinking fund redemptions in each year on the Annual Principal Payment Dates such that the principal amounts subject to mandatory sinking fund redemption match the principal amounts scheduled to mature as set forth in the table above* and equal, together with the principal amount of such term bond due at its maturity, the principal amount of the term bond. There is no limitation on the number of term bonds.

Adjustments to Principal Amounts of the Bonds. As promptly as reasonably possible after the bids are received, the State will notify the bidder to whom the Bonds will be awarded, if and when such award is made, and such bidder, upon such notice, shall advise the State of the initial public offering prices of each maturity of the Bonds (the "Initial Reoffering Prices"). The Initial Reoffering Prices of the Bonds will be used to calculate the final maturity schedule and the final aggregate principal amount of the Bonds (the "Final Amounts") to achieve the State's debt service objectives. The successful bidder may not withdraw its bid or change the interest rates bid or the Initial Reoffering Prices as a result of any changes made to the revised amounts.

The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the aggregate principal amount of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount or premium, if any, but will not change the selling compensation per \$1,000 of par amount of the Bonds from the selling compensation that would have been received based on the purchase price of the winning bid and the Initial Reoffering Prices. The interest rate specified by the successful bidder for each maturity at the Initial Reoffering Price for such maturity will not change.

The Final Amounts and the adjusted purchase price will be communicated to the successful bidder as soon as possible, but no later than 5:00 p.m. (Eastern Time) on the day of the sale.

* Subject to adjustment as set forth herein.

Electronic Bidding Procedures. Bids to purchase Bonds (all or none) must be submitted electronically via PARITY®. Bids will be communicated electronically to the State at _____ a.m. (Eastern Time) on _____, _____. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via PARITY®, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds or (3) withdraw its proposed bid. Once the bids are communicated electronically via PARITY® to the State, each bid will constitute an irrevocable and unconditional offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on PARITY® shall constitute the official time. The State will not accept bids by any means other than electronically via PARITY®.

Disclaimer. Each prospective bidder shall be solely responsible to submit its bid via PARITY® as described above. Each prospective bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. Neither the State nor PARITY® shall have any duty or obligation to provide or assure access to PARITY® to any prospective bidder, and neither the State nor PARITY® shall be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The State is using PARITY® as a communication mechanism, and not as the State's agent, to conduct the electronic bidding for the Bonds. The State is not bound by any advice and determination of PARITY® to the effect that any particular bid complies with the terms of this Official Notice of Sale and in particular the "Conditions of Sale" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their submission of bids via PARITY® are the sole responsibility of the bidders; and the State is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying, or withdrawing a bid for the Bonds, the bidder should telephone PARITY® at (212) 404-8102 and notify the State's Financial Advisor, Public Resources Advisory Group, Inc., by telephone at (212) 566-7800. To the extent any instructions or directions set forth in PARITY® conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about PARITY®, potential bidders may contact PARITY® at i-Deal (212) 404-8102.

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 all of the Bonds at the lowest interest cost (as defined below) to the State at a price of not less than the par amount of the Bonds, plus accrued interest to the date of delivery, if any. 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 must bear the same rate of interest;
 - (b) No rate of interest named shall be more than five (5.0) percentage points;
 - (c) A zero (0.0) percentage point rate of interest is not permitted;
 - (d) Each interest rate named must be a multiple of 1/8th or 1/20th of one (1) percentage point;
- and
- (e) Any premium offered must be paid in cash as a part of the purchase price;

All bids must be for no less than 100 percent of the par value of the Bonds.

By submitting a bid, each bidder represents that the bidder's proposal is genuine, and not a sham or collusive, and is not made in the interest of or on behalf of any person not therein named, the bidder 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 the bidder has not in any manner sought by collusion to secure for it an advantage over any other bidder. No good faith deposit will be required.

Basis of Award. IF THE COMPETITIVE SALE REQUIREMENTS UNDER THE PROVISIONS OF TREASURY REGULATIONS SECTION 1.148-1(f)(3)(i), INCLUDING THE RECEIPT OF THREE BIDS, ARE NOT MET, ALL BIDS WILL BE REJECTED AND THE SALE OF THE BONDS WILL BE CANCELLED. If at least three bids are received and the competitive sale requirements under provision of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) are met, the Bonds will be awarded to the bidder offering to purchase all of the Bonds at the lowest interest cost to the State. The lowest interest cost shall be determined in accordance with the true interest cost (TIC) method by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the amount bid, not including interest accrued to the date of delivery (expected to be on or about _____, ____), if any.

Acceptance or Rejection of Bids. Bids will be accepted or rejected promptly after receipt and not later than by 2:00 p.m. (Eastern Time) on the day of the sale. In the event of tie low bids, the State shall select the successful bidder or bidders.

Rights Reserved. The State reserves the right to reject any and all bids and to reject any bids not complying with this Official Notice of Sale. The State also reserves the right to waive any irregularity or informality with respect to any bid.

Right to Change this Official Notice of Sale and to Postpone Offering. The State reserves the right to make changes to this Official Notice of Sale and also reserves the right to postpone, from time to time, the date and time established for the receipt of bids. Any such postponement will be announced via TM3. If any date and time fixed for the receipt of bids and the sale of the Bonds is postponed, an alternative sale date and time will be announced via TM3 at least 48 hours prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit an electronic bid for the purchase of the Bonds in conformity in all respects with the provisions of this Official Notice of Sale, except for the date and time of sale and except for any changes announced over TM3 at the time the sale date and time are announced.

Delivery of the Bonds. The Bonds will be delivered through the facilities of DTC on or about _____, _____, against payment of the purchase price therefor in federal funds.

Documents to be Delivered at Closing. The State will furnish, without cost to the successful bidder, the Bonds and the opinions of The Honorable Alan Wilson, Attorney General of the State of South Carolina; and Pope Flynn, LLC, Bond Counsel. The opinion of Bond Counsel will be attached to the back of each of the Bonds.

Tax Opinion. The opinion of Bond Counsel 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 is not an item of tax preference for purposes of the federal alternative minimum tax; 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 remains 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.

Undertakings of the Successful Bidder. The successful bidder (hereafter, the “Purchaser”) agrees to provide certificates, including, but not limited to, the issue price certificate attached hereto as Exhibit A.

CUSIP Numbers. 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. All expenses in relation to the printing of the CUSIP identification numbers on the Bonds shall be paid by the State. However, the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid by the Purchaser.

Official Statement. 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 United States Securities and Exchange Commission (the “Rule”). The only information omitted from the Preliminary Official Statement are those items permitted to be omitted under the Rule. The Preliminary Official Statement will be made 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 business days after the sale date, a mutually agreed upon number of printed 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.

Continuing Disclosure. In order to assist the Purchaser in complying with the Rule, the State will undertake, in accordance with the authorizing resolutions pursuant to which the Bonds are issued 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.

Additional Information. Prospective purchasers may obtain, in advance of the sale, copies of the Preliminary Official Statement relating to the Bonds from (i) the i-dealprospectus website, <http://www.i-dealprospectus.com>; (ii) Kevin Kibler, Senior Assistant State Treasurer, 122 Wade Hampton Office Building, Columbia, South Carolina, 29201 (telephone: (803) 734-1391; email: kevin.kibler@sto.sc.gov); or (iii) Samuel W. Howell IV, Disclosure Counsel, Howell Linkous & Nettles, LLC, The Lining House, 106 Broad Street, Charleston, South Carolina, 29401 (telephone: (843) 266-3801; email: samhowell@bond-law.com).

Henry D. McMaster, Governor of South Carolina

Curtis M. Loftis, Jr., State Treasurer of South Carolina

Dated _____, 20__

CERTIFICATE AS TO ISSUE PRICE

\$ _____ *

STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF CLEMSON UNIVERSITY),
SERIES 20 _____

The undersigned, a duly authorized officer of _____, as the purchaser (the "Purchaser") of the above-captioned obligations (the "Bonds") issued by the State of South Carolina (the "State"), represents and certifies, to establish the "issue price" of the Bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and certain other matters, that:

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

(d) The Purchaser has an established industry reputation for underwriting new issuances of municipal bonds.

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, ____.

(d) *Underwriter* as used herein means (i) any person that agrees pursuant to a written contract with the State (or with the lead Underwriter to form a syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the

* Subject to adjustment as set forth herein.

Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Code and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the State with respect to certain of the representations set forth in the Tax and Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by [Bond Counsel], as bond counsel to the State, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the State from time to time relating to the Bonds.

Signed this ____ day of _____, ____.

[Purchaser]

By: _____
Name: _____
Title: _____

Schedule A

Expected Offering Prices

Schedule B

Copy of Winning Bid

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "Disclosure Undertaking") is executed and delivered this ____ day of _____, 20__, by the State of South Carolina (the "State") in connection with the issuance of the State's \$ _____ General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 20__ (the "Bonds").

The Bonds are being issued pursuant to a resolution adopted on _____, 20__ (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 U.S. Securities and Exchange Commission (the "SEC") Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution or elsewhere in this Disclosure Undertaking, 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. 34-59062 (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.

"Financial Obligation" as used in this Disclosure Undertaking is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with 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 _____, 20__, 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, 20__, 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, 20__, 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) The Annual Report shall be submitted to the MSRB either through a web-based electronic submission interface or through electronic computer-to-computer data connections with EMMA in accordance with the submission process, document format and configuration requirements established by the MSRB. The Annual Report shall also include all related information required by the MSRB to accurately identify: (i) the category of information being provided; (ii) the period covered by the Annual Report; (iii) the issues or specific securities to which the Annual Report is related (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the State; (v) the name and date of the document; and (vi) contact information for the Dissemination Agent or the State’s submitter.

(c) 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.

(d) In the event that there is a Dissemination Agent, then not later than fifteen (15) business days prior to each due date, the State shall provide the Annual Report to the Dissemination Agent for distribution to the MSRB. 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, and stating the date it was provided to the MSRB.

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 provided to the MSRB 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 "DEBT OF THE STATE OF SOUTH CAROLINA;"

(d) Total outstanding general obligation bonds and annual debt service as set forth in the Official Statement under the headings "DEBT OF THE STATE" and "TABLES RELATING TO THE BONDS AND THEIR EFFECT ON THE DEBT OF THE STATE;" 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, if 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, which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the 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;
- (xv) incurrence of a Financial Obligation of an obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an obligated person, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an obligated person, 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 CUSIP number or shall be accompanied 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, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(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; provided, however, that any such action may be instituted only in the Federal or State courts located in Columbia, South Carolina. 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. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking, and in any separate written agreement between the Issuer and the Dissemination Agent.

Section 13. 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.

STATE OF SOUTH CAROLINA

Date: _____, 20__

By: _____
State Treasurer

EXHIBIT A

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

Issuer: State of South Carolina

Obligations: \$_____ General Obligation State Institution Bonds (Issued on Behalf of
Clemson University), Series 20__

Date of Issuance: _____, 20__

CUSIP: _____

NOTICE IS HEREBY GIVEN that the State has not provided an Annual Report with respect to the above-named Bonds as required by the Resolution adopted on _____, 20__. The State anticipates that the Annual Report will be filed by _____.

STATE OF SOUTH CAROLINA

By: _____
State Treasurer

Date: _____



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 10/15/19

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: H12 Issuer: Clemson University Series: 2019
 Borrower (if not Issuer): _____
 Bond Caption: State Institution Bonds
 Bond Resolution Amount: \$31,000,000.00 Est. Production/Par Amt: \$23,745,000.00
 (* Used to calculate Initial COI percentages; STO bond issues must use Par Amt *)

Submitted By:

ENTITY: Clemson University
 BY: Rick Petillo
 ITS: Director of Debt and Capital Financing
 Tel: (864) 656-2591
 Email: rp@clmson.edu

Transaction Type/Method of Sale:

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

Final Production/Par Amt: \$0.00

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

2. FINANCING (NEW PORTION)

Project #: 9940 Project Name: Daniel Hall Renovation and Expansion
 Project Address/Location: Main Campus Amount: \$30,000,000 Financed, \$59,730,000 Tot
 Project Type: Academic Building County: Pickens
 Projected Avg Interest Rate: 2.33% Final Maturity: 04/01/40

3. FINANCING (REFUNDED PORTION)

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

4. FINANCING WORKING GROUP

Financial Advisor: PRAG Disclosure Counsel: Howell Linkous & Nettles
 Bond Counsel: Pope Flynn, LLC Issuer's Counsel: Chip Hood, General Counsel
 Underwriter: TBD - Competitive Trustee: Office of State Treasurer
 Paying Agent: U.S. Bank National Association Other: _____

5. FINANCING/PROJECT DESCRIPTION

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

This request is to establish the Phase II construction budget to renovate the 68,000 square foot Daniel Hall general classroom building and expand the facility by approximately 60,000 square feet. See Form A-1 for additional information. Costs of issuance of the bonds are calculated in accordance with the approved fee schedule for counsel, published schedules of rating agencies, past experience, and to take into account that certain larger items, such as the underwriter's discount, will not be known until the pricing of the bonds and will vary with market conditions.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	07/18/19	Resolution Adopted
JBRC Approval:	10/02/19	Proposed
SFAA Approval:	10/15/19	Proposed

Project Approvals - Phase II Issues Only		Notes:
Issuer/Borrower Approval:	07/18/19	Phase II Approved
JBRC Approval:	10/02/19	Proposed
SFAA Approval:	10/15/19	Proposed

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?

☐ ☒

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

Sq. Footage - N/A
 Cost Estimate - N/A

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
\$ 2,888,034.10	6/30/2020	Professional fees, COI and beginning construction costs
\$ 2,673,000.00	6/30/2021	Balance of construction costs
\$ 12,509,750.00	6/30/2021	Balance of construction costs
\$ 12,244,952.00	6/30/2022	Balance of construction costs
\$	00/00/00	
\$	00/00/00	
\$ 30,315,736.10		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 23,745,000.00	\$ 59,730,000.00	Project Fund
(b) Premium/Accr. Int.	\$ 6,570,736.10		Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$ 29,730,000.00		Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$		Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 315,736.10	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)		\$	Accrued Interest
Type -		\$	Other
Residual Project Sources		\$	Other
(6) Other		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Sources	\$ 60,045,736.10	\$ 60,045,736.10	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	FRAG			\$ 35,000.00	\$	\$ 35,000.00
Bond Counsel	Pope Flynn			\$ 25,000.00	\$	\$ 25,000.00
Disclosure Counsel	Howell Linkous & Nettles			\$ 25,000.00	\$	\$ 25,000.00
Issuer's Counsel	Chip Hood (CU)			\$	\$	\$
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				\$ 27,000.00	\$	\$ 27,000.00
Underwriter's Compensation	TBD - Competitive			\$ 118,725.00	\$	\$ 118,725.00
Registrar / Paying Agent	U.S. Bank			\$ 10,000.00	\$	\$ 10,000.00
Escrow Agent				\$	\$	\$
Accountant				\$	\$	\$
Verification Agent				\$	\$	\$
Printing	Image Master			\$ 5,000.00	\$	\$ 5,000.00
Publishing	Ipreo			\$ 1,500.00	\$	\$ 1,500.00
Advertising	The State/The Bond Buyer			\$ 3,000.00	\$	\$ 3,000.00
Contingency				\$ 8,011.10	\$	\$ 8,011.10
Issuer's Fee	SC JEDA / SC SHFDA			\$	\$	\$
				\$ 315,736.10	\$	\$ 315,736.10

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

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

0.15%	#DIV/0!
0.11%	#DIV/0!
0.21%	#DIV/0!
0.36%	#DIV/0!

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

0.50%	#DIV/0!
0.12%	#DIV/0!
1.33%	#DIV/0!

AGENCY: Medical University of South Carolina

SUBJECT: Not Exceeding \$18,500,000 General Obligation State Institution Bonds, Issued on Behalf of The Medical University of South Carolina

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$18,500,000 General Obligation State Institution Bonds, issued on behalf of The Medical University of South Carolina.

The proceeds of the bonds will be used to renovate and expand the Colbert Library and provide for related improvements, renovation and additions to the Basic Sciences Building in connection with the relocation of the MUSC College of Pharmacy to convert outdated space to current learning spaces and offices for faculty.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$18,500,000 General Obligation State Institution Bonds, issued on behalf of The Medical University of South Carolina.

ATTACHMENTS:

Musser September 6, 2019 letter; Resolution; NDIF



Pope Flynn, LLC
1411 Gervais Street, Suite 300
Post Office Box 11509 (29211)
Columbia, SC 29201

MAIN 803.354.4900
FAX 803.354.4899
www.popeflynn.com

September 11, 2019

VIA HAND DELIVERY

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

Re: Not Exceeding \$18,500,000 of General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina) of the State of South Carolina (the "Bonds")

Dear Delbert:

As previously discussed, I am enclosing final versions of the SFAA Resolution and the MUSC Board of Trustees Resolution relating to the above-referenced financing. Please note that we have made a minor clarification to the project description from that included in the drafts provided to you last Friday and have included the completed tuition fee schedule exhibit. Blacklines of each Resolution reflecting the specific revisions are also enclosed.

Thank you again for your flexibility and please let me know should you require anything further or if you have any questions regarding the enclosed.

Best regards,

William M. Musser

cc: Kevin Kibler, Senior Assistant State Treasurer, Office of State Treasurer
Patrick Wamsley, The Medical University of South Carolina

Enclosures

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING EIGHTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$18,500,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA), 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 October 15, 2019

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EXHIBIT A Debt Service Requirements on all State Institution Bonds Issued by the State of South Carolina on Behalf of The Medical University of South Carolina

EXHIBIT B Schedule of Tuition Fees

EXHIBIT C Pro Forma Debt Service Requirements of Not Exceeding \$18,500,000 State of South Carolina General Obligation State Institution Bonds, at Prevailing Rates of Interest

EXHIBIT D Schedule Showing Pro Forma Total Principal and Interest Requirements of All General Obligation State Institution Bonds Issued by the State of South Carolina on Behalf of The Medical University of South Carolina Including the Proposed Issue of \$18,500,000 of General Obligation State Institution Bonds, at Prevailing Rates of Interest

EXHIBIT E Proof Showing Compliance with Enabling Act

EXHIBIT F Form of Proposed Bonds

EXHIBIT G Form of Official Notice of Sale

EXHIBIT H Form of Continuing Disclosure Undertaking

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING EIGHTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$18,500,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA), 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 bonds provided for herein, the South Carolina State Fiscal Accountability Authority (the "Authority") 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 1.01 General Findings of Authorization.

(a) The Authority is authorized by Title 59, Chapter 107 of the Code of Laws of South Carolina 1976, as amended (the "Enabling Act") to make provision for the issuance of General Obligation State Institution Bonds ("State Institution Bonds") on behalf of state institutions (the "Institutions") of the State of South Carolina (the "State"), including The Medical University of South Carolina (the "University"), the proceeds of which may be used for any one or more of the following purposes:

(i) to construct, reconstruct, maintain, improve, furnish and refurnish the buildings and other permanent improvements for the Institutions,

(ii) to defray the costs of acquiring or improving land needed as sites for such improvements or for the campus of any of the Institutions,

(iii) to reimburse the Institutions for expenses incurred in anticipation of the issuance of State Institution Bonds, or

(iv) to refund State Institution Bonds heretofore issued for the Institutions and which shall on such occasion be outstanding.

(v) The Board of Trustees has determined that a need exists to renovate and expand the Colbert Library and provide for related improvements, renovations and additions to the Basic Sciences Building in connection with the relocation of the MUSC College of Pharmacy, and to convert outdated space to current learning spaces and offices for faculty (the "Project").

Pursuant to the provisions of a resolution adopted by the Board of Trustees of the University (the "Board of Trustees") on October 11, 2019 (the "Board Resolution"), the Board of Trustees has requested the Authority to authorize the Governor and the State Treasurer (each as defined herein) to issue General Obligation State Institution Bonds pursuant to the Enabling Act in the aggregate principal amount of not exceeding \$18,500,000 to provide funds to: (i) defray the costs of the Project; and (ii) pay costs and expenses related to the issuance of such State Institution Bonds. Moreover, the Board Resolution constituted the application to the Authority required by Section 59-107-40 of the Enabling Act and the

provisions thereof contained all information necessary for the Authority to approve the application and authorize the issuance of such State Institution Bonds.

(c) The Authority has reviewed the Board Resolution and has determined to cause the issuance of not exceeding Eighteen Million Five Hundred Thousand Dollars (\$18,500,000) aggregate principal amount General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), of the State of South Carolina (the "Bonds"), or one or more BANs (as defined herein) in anticipation thereof, for the purposes described in paragraph (b) above.

Section 1.02 Findings Required by the Enabling Act.

The Authority makes the following findings pursuant to Section 59-107-50 of the Enabling Act in connection with the application of the University for issuance of General Obligation State Institution Bonds in the amount of not exceeding \$18,500,000, which sum will be used to pay all or a portion of the costs of the Project and to pay the costs of issuance of the Bonds.

(a) That a definite and immediate need for the Project exists;

(b) There are presently outstanding \$39,340,000 aggregate principal amount State Institution Bonds secured by the Tuition Fees (as hereinafter defined) of the University as set forth in Exhibit A attached hereto;

(c) A satisfactory and proper schedule of Tuition Fees as set forth in Exhibit B attached hereto is in effect at the University;

(d) A pro forma debt service table setting forth annual principal and interest requirements of the Bonds based on prevailing rates of interest per annum is set forth on Exhibit C attached hereto. Exhibit D attached hereto sets forth the aggregate debt service requirements of the outstanding State Institution Bonds issued on behalf of the University and the Bonds at prevailing rates of interest. Exhibit E attached hereto shows the sums received by the University as Tuition Fees for the Fiscal Year (as hereinafter defined) ended June 30, 2019, and establishes that, based on prevailing rates of interest per annum on the Bonds, the maximum annual debt service on the outstanding State Institution Bonds issued on behalf of the University and the Bonds will not be greater than 90% of the Tuition Fees received by the University for the Fiscal Year ended June 30, 2019;

(e) The University has agreed that the schedule of the Tuition Fees for the University shall be revised from time to time and whenever necessary to provide not less than the sum needed to pay the annual principal and interest requirements on the Bonds and on all outstanding State Institution Bonds issued on behalf of the University; and

(f) The Authority has made the findings required of it by Section 59-107-50 of the Enabling Act, and has accepted the Board Resolution as the application required by Section 59-107-40 of the Enabling Act.

Section 1.03 Determination of Compliance with Debt Limitation.

Section 59-107-90 of the Enabling Act and Section 11-27-30(4) of the South Carolina Code, each provide that the debt limitation applicable to State Institution Bonds is that sum resulting from the provisions of subparagraph (b) of paragraph 6 of Section 13 of Article X of the South Carolina Constitution, which provides that the maximum annual debt service on State Institution Bonds issued for an Institution may not be greater than 90% of the sum of the Tuition Fees received by such Institution for

the preceding Fiscal Year. The table set forth in Exhibit E attached hereto demonstrates that the maximum annual debt service on all State Institution Bonds issued on behalf of the University following the issuance of the Bonds will not exceed the proviso contained in the preceding sentence with respect to outstanding State Institution Bonds and the Bonds with interest calculated thereon at prevailing rates of interest. Further, the Authority finds that the total aggregate principal amount of State Institution Bonds issued on behalf of the University to be outstanding, following the issuance of the Bonds at prevailing rates of interest authorized by the provisions of this Resolution, will not exceed \$57,840,000.*

Section 1.04 Determination of Amount of Bonds Herein Authorized.

The Authority finds that it is necessary to issue the Bonds in the aggregate principal amount of not exceeding \$18,500,000 or one or more BANs in anticipation thereof, in order to provide funds which will be used to pay all or a portion of the costs of the Project, to pay the principal of and interest on the BANs, if any, and to pay the costs of issuance of such BANs or the Bonds.

[End of Article I]

* Preliminary, subject to change.

ARTICLE II DEFINITIONS AND CONSTRUCTION

Section 2.01 Definitions.

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

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

“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 Authority to perform such act or sign such document.

“BAN” or “BANs” means any of the bond anticipation notes issued hereunder and pursuant to the BAN Act.

“BAN Act” means Title 11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended.

“Bond” or “Bonds” means any of the General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), authorized by this Resolution, and also means, if the context so requires, any BAN or BANs issued in anticipation of the issuance of such Bonds.

“Bondholder” or “Holder” or “Holders of Bonds” or “Owner” or similar term means, when used with respect to a Bond or Bonds or BANs, any person who shall be registered as the owner of any Bond or BAN 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 H hereto, and delivered at or prior to the closing of the Bonds as required by United States 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 or BANs.

“Enabling Act” means Title 59, Chapter 107 of the Code of Laws of South Carolina 1976, as amended.

“Escrow Agent” means the Paying Agent or such entity or entities, as the case may be, designated by the State Treasurer to serve as escrow agent or escrow agents pursuant to one or more escrow deposit agreements.

“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.

“Governor” means the Governor of the State.

“Outstanding” means, when used in this Resolution with respect to Bonds or BANs, as of any date, all Bonds or BANs theretofore authenticated and delivered pursuant to this Resolution except Bonds or BANs (or portions thereof):

- (i) cancelled or delivered to the Registrar for cancellation on or before such date;
- (ii) deemed to have been paid in accordance with the provisions of Section 7.01 hereof; and
- (iii) in lieu of or in exchange for which another Bond or BAN shall have been authenticated and delivered pursuant to Article III of this Resolution.

“Paying Agent” means any bank, trust company, or national banking association which is authorized to pay the principal or Redemption Price of, or interest on any Bonds or BANs, 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.

“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 or BANs and shall effect the exchange and transfer of the Bonds or BANs 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.

“Secretary of State” means the Secretary of State of the State of South Carolina.

“Series” or “Series of Bonds” means a series of Bonds issued pursuant to the authorizations of the Enabling 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 Request” means a written request of the State signed by an Authorized Officer.

“State Treasurer” means the Treasurer of the State of South Carolina.

“Taxable Series” means a Series of Bonds so designated by the State Treasurer, the interest upon which is not excludable from income for federal income tax purposes.

“Tuition Fees” means those fees charged by the University for tuition, matriculation and registration. The term does not include sums charged for enrolling in courses or classes offered for any summer school term or any special seminar, nor shall the term relate to or include fees levied or charged for purposes other than for the purposes of the Enabling Act.

Section 2.02 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.

[End of Article II]

ARTICLE III ISSUANCE OF BONDS

Section 3.01 Request to Governor and State Treasurer.

The Governor and the State Treasurer are hereby requested to effect the issuance of not to exceed \$18,500,000 principal amount of General Obligation State Institution Bonds in accordance with the provisions of this Resolution.

Section 3.02 Ordering the Issuance of Bonds; Principal Amount.

Pursuant to the provisions of the Enabling Act, and for the purpose of obtaining funds to pay all or a portion of the costs of the Project and to pay certain costs of issuance of the Bonds described in Section 1.02 hereof, there shall be issued not exceeding Eighteen Million Five Hundred Thousand Dollars (\$18,500,000) aggregate principal amount of general obligation bonds of the State, designated "General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2019." 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 Bonds may be issued as a single Series or in two or more separate Series or may be issued in combination with other issues of State general obligation bonds, as determined by the State Treasurer. The final principal amount of the Bonds shall be determined by the State Treasurer.

Section 3.03 Maturity Schedule of Bonds.

The Bonds shall mature in each of the Fiscal Years and in the Principal Installments determined by the State Treasurer, provided that the aggregate principal amount of Bonds issued hereunder does not exceed \$18,500,000. The Bonds shall bear interest at rates determined in the manner prescribed by Section 3.16 hereof. The State Treasurer is hereby authorized to adjust the maturity schedule as to the principal amount maturing in a particular year and as to the dates on which the principal is to be repaid 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.

Section 3.04 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 3.05 Medium of Payment; Form and Denomination of Bonds; Place of Payment of Principal.

(a) The Bonds shall be payable as to Principal Installment, Redemption Price 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 \$1,000 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 or Redemption Price 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 3.09 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 or Redemption Price 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 3.06 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 and Paying Agent. In the event that Bonds are issued in two or more Series, references in this Resolution to the Registrar and Paying Agent shall mean the Registrar and Paying Agent for a given Series.

Section 3.07 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 the form set forth in the form of the Bond attached to this Resolution as Exhibit F, 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 3.08 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 3.09 Transferability and Registry.

All Bonds shall at all times, when the same are Outstanding, be payable, both as to Principal Installment, Redemption Price 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 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 (i) issue, exchange or transfer any Bond during the 15 days next preceding any Bond Payment Date, (ii) issue, exchange or transfer any Bonds during a period beginning at the opening of business 15 days next preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the mailing of notice of such redemption, or (iii) transfer or exchange any Bonds called or being called for redemption in whole or in part.

Section 3.12 Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If any mutilated Bond is surrendered to the Registrar and the Registrar and 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, Redemption Price and interest on such Bond and for all other purposes, and payment of the Principal Installment, Redemption Price 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 or redemption 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 or Redemption Price 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 interest cost to the State at a price of not less than par, but:

- (a) all Bonds of the same maturity shall bear the same rate of interest;
- (b) no rate of interest named shall be more than five (5.00) percentage points;
- (c) a zero (0.0) percentage point rate of interest is not permitted;

(d) each interest rate named shall be a multiple of 1/8th or 1/20th of one (1) percentage point;
and

(e) any premium offered must be paid in cash as a part of the purchase price;

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, (iv) achieve a more favorable interest rate at the sale of the Bonds and (v) establish a maximum interest rate or maximum interest rates as necessary to maintain compliance with the provisions of the Enabling Act. 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 Installments 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 the same respectively mature, the full faith, credit and taxing power of the State are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by the University are also pledged. In accordance with the provisions of Section 11-29-30 of the South Carolina Code, and in order to provide for the punctual payment of the Principal Installments and interest on the Bonds herein authorized, the State Treasurer is directed to set aside from the Tuition Fees received in each Fiscal Year in which the interest on and Principal Installment of the Bonds are due or will become due so much of the revenues derived from such Tuition Fees as may be necessary in order 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 moneys to the punctual payment of such principal and interest as the same respectively fall due. In the event that the revenues derived from the Tuition Fees so pledged 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 Article X, Section 13, Paragraph 4 of the South Carolina Constitution if 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 and interest on the Bonds then due.

Section 3.19 Tuition Fee Deposits.

As provided in Section 59-107-180 of the Enabling Act, the State Treasurer shall establish a special fund into which all Tuition Fees shall be deposited and applied to the payment of principal, interest and premium, if any, on the Bonds. The State Treasurer further shall establish for the Bonds a "special debt service and reserve fund" within this special fund as prescribed by Section 59-107-180 of the Enabling Act. Such special fund and the "special debt service and reserve fund" therein shall be maintained at all times as provided in said Section 59-107-180 of the Enabling Act.

Section 3.20 Bonds Issued in Book-Entry Only Form.

(a) Unless otherwise determined by the State Treasurer, the Bonds will initially be issued under a 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. 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) So 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 or Redemption Price 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 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, Redemption Price 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 F attached hereto and made a part of this Resolution.

Section 3.22 Borrowing in Anticipation of Issuance of Bonds.

Pursuant to the BAN Act, there may be issued from time to time at the discretion of the Governor and the State Treasurer BANs in aggregate principal amount not exceeding \$18,500,000 in anticipation of the issuance of Bonds. If BANs are issued and if, upon the maturity thereof the Governor and the State Treasurer should determine that it would be in the best interest of the State to renew or refund the BANs, they are authorized to renew or refund the BANs from time to time until the Governor and the State Treasurer determine to issue the Bonds on the basis as aforesaid, and the Bonds are issued.

(a) The BANs shall be dated and bear interest from the Dated Date thereof, payable upon the stated maturity thereof and shall mature on such dates as determined by the State Treasurer, provided that no BAN shall mature on a date which is later than one year following the issuance thereof. Interest on the BANs shall be calculated on the basis of a 360-day year of twelve 30-day months. The BANs shall be payable, both as to principal and interest, in legal tender upon maturity, at the principal office of the Paying Agent. The BANs may be issued in denominations of \$1,000 and integral multiples thereof. The BANs shall be executed in the name and on behalf of the State by the manual or facsimile signature of the Governor and the State Treasurer with the Great Seal of the State (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon and attested by the Secretary of State. BANs bearing the manual or facsimile signature of any Person who shall have been such an Authorized Officer at the time such BANs were so executed shall bind the State notwithstanding the fact that he may have ceased to be such Authorized Officer prior to the authentication and delivery of such BANs or was not such Authorized Officer at the date of the authentication and delivery of the BANs.

(b) The State Treasurer shall appoint a financial institution maintaining corporate trust offices to serve as Registrar and Paying Agent for the BANs.

(c) The Authority hereby authorizes the State Treasurer to cause to be prepared and to "deem final" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission a preliminary official statement relating to the BANs and to cause to be prepared and to approve a final official statement following the sale of the BANs. The Authority hereby authorizes the use of said preliminary official statement and final official statement and the information contained therein in connection with the public offering and sale of the BANs. If the BANs are offered and sold to a financial institution to be held for its own account, the State Treasurer will not be required to (i) prepare a preliminary official statement or final official statement if such purchaser executes and delivers an investment letter in form and content acceptable to the State Treasurer, or (ii) undertake any obligation to deliver a Continuing Disclosure Undertaking.

(d) The BANs may be sold at public or private sale. Bids therefor shall be received until such time and date to be selected by the State Treasurer. Notice of sale of the BANs shall be given in a manner determined by the State Treasurer. Upon receipt of bids for the BANs, the Governor and the State Treasurer shall, and they are hereby authorized to, award the BANs 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 Authority if the Governor and the State Treasurer shall determine that it is in the interest of the State to make such award.

(e) The BANs shall be issued in such form and with such terms and conditions, not inconsistent with this Resolution, as shall be determined by the State Treasurer. No BAN 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 BAN a certificate of authentication duly executed by the manual signature of the Registrar and such certificate of authentication upon any BAN executed on behalf of the State shall be conclusive evidence that the BAN so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of the Resolution.

(f) The BANs shall be issued in fully registered form either (i) under a book-entry only system, registered in the name of Cede & Co. as the registered owner and securities depository nominee of DTC, or (ii) in physical form registered the name of the Holder, as specified by the Governor and the State Treasurer, who may permit the purchaser to make such determination. Conditions as to ownership, exchange, transfer, replacement and payment of BANs shall be as provided for Bonds herein, except as expressly provided in this Resolution to the contrary. The BANs may, at the discretion of the State Treasurer, be subject to redemption prior to their stated maturity, on such terms and conditions as the State Treasurer may prescribe, except that the maximum premium to be paid for prior redemption shall not exceed one half of one per centum (1/2%).

(g) For the payment of the principal of and interest on the BANs as the same shall fall due, the full faith, credit, and taxing power of the State shall be pledged. In addition thereto, so much of the principal proceeds of the Bonds when issued shall and is hereby directed to be applied, to the extent necessary, to the payment of the BANs; and, further, the State covenants and irrevocably pledges to effect the issuance of the Bonds or, in the alternative, to refund or renew Outstanding BANs in order that the proceeds thereof will be sufficient to provide for the retirement of any BANs issued pursuant hereto.

(h) Proceeds from the sale of the BANs shall be applied in the manner as provided by Section 6.01 herein for Bonds.

(i) Both the principal of and interest on the BANs shall be exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State, direct or indirect,

general or special, whether imposed for the purpose of general revenue or otherwise, except estate or other transfer taxes, and certain fees or franchise taxes.

(j) The form of the BAN shall be approved by the State Treasurer.

(k) Without limiting the generality or specifics of any other provision in this Resolution, the term “Bonds” as used in Articles VII, VIII, IX and X shall include BANs.

[End of Article III]

ARTICLE IV REDEMPTION OR PURCHASE OF BONDS

Section 4.01 Authorization of Redemption.

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

Section 4.02 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, which notice may be conditional in the discretion of the State Treasurer. 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 4.03 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; (vi) whether the redemption of the Bonds is conditioned upon any event; and (vii) 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; provided, however, that in the event of any conditional provision in the notice, the Bonds will not become due and payable as provided in this section unless such condition has been satisfied as of the redemption date. 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.

(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; provided, however, that in the event of any conditional provision in the notice, the Bonds will not become due and payable as provided in this section until such condition has been satisfied as of the redemption date. On and after the redemption date (unless the State shall default in the payment of the Redemption Price and accrued interest, or any conditional provision in the notice shall not have been satisfied as of the redemption date), 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 4.04 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 4.05 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. Provided, however, that in the event of a conditional redemption such condition is not met, this Section 4.05 is inapplicable.

Section 4.06 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 4.07 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.

[End of Article IV]

ARTICLE V SALE OF BONDS

Section 5.01 Determination of Time to Receive Bids; Form of Notice of Sale.

(a) The Bonds shall be sold at public sale on such terms as may be prescribed by the State Treasurer. 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 G 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 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.

(b) The Bonds authorized hereby, if so determined by the State Treasurer, may be issued in the form of a single instrument, subject to the following terms and conditions: (i) the Dated Date of the Bond shall be the date determined by the State Treasurer, and the Bond shall bear interest from such date; (ii) the references to "Bonds" throughout the Resolution shall be understood to refer to the single instrument authorized by this Section 5.01(b); (iii) the State Treasurer may require that the Bond bear a single, fixed rate of interest; (iv) the form of the Bonds as set forth in Exhibit F hereto and the Notice of Sale as set forth in Exhibit G hereto shall be appropriately modified; (v) the State Treasurer may determine that the State will not undertake any obligation to deliver a Continuing Disclosure Undertaking as provided in Exhibit H hereto; (vi) the State Treasurer may determine that the Bond shall not be issued in book-entry-only form, and, in lieu thereof, shall be registered directly in the name of the Holder as directed by the purchaser thereof; and (vii) the State Treasurer may determine that an official statement shall not be prepared in connection with the sale of the Bond.

Section 5.02 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 Authority 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 5.03 Official Statement.

The Authority 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 United States 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 Authority hereby authorizes the use of said preliminary official statement and final official statement and the information contained therein in connection with the public offering and sale of the Bonds.

Section 5.04 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 final official statement as that for the Bonds.

[End of Article V]

ARTICLE VI
DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 6.01 Disposition of Bond Proceeds Including Temporary Investments.

(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;

 (iii) the remaining proceeds of the Bonds shall be segregated by the State Treasurer for the account of the University and shall be applied to pay all or a portion of the costs of the Project or to repay the BANs, as applicable; and

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

(b) Pending the use of Bond proceeds as provided in Sections 6.01(a) of this Section, the same shall be invested and reinvested by the State Treasurer in Authorized Investments. The investment earnings therefrom may be used either for any lawful purpose of the State, including for the purposes described in Section 6.01(a) above, or, if so required by the Code, to make any necessary rebate to the United States Government.

(c) 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 or the BANs.

[End of Article VI]

ARTICLE VII
DEFEASANCE OF BONDS

Section 7.01 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, viz.:

(a) The 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) Subject to the provisions of Section 59-107-200 of the Enabling Act, if applicable, 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 3.20 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 7.02 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.

[End of Article VII]

ARTICLE VIII
CONCERNING THE FIDUCIARIES

Section 8.01 Fiduciaries; Appointment and Acceptance of Duties.

Each Fiduciary 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 8.02 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 8.03 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 hereof by the State to any Fiduciary shall be sufficiently executed if executed in the name of the State by an Authorized Officer.

Section 8.04 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 8.05 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 depositary 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 8.06 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 8.08 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 8.07 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 8.08 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 8.06 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 8.09 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 the 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 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 8.08 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.

[End of Article VIII]

ARTICLE IX
FEDERAL TAX CONSIDERATIONS

Section 9.01 Compliance with the Code.

The State will comply with all requirements of the Code in order to preserve the tax-exempt status of interest on the Bonds, including without limitation, (i) the requirement to file Form 8038-G, *Information Return for Tax-Exempt Government Obligations*, with the Internal Revenue Service, and (ii) the requirement to rebate certain arbitrage earnings to the United States Government pursuant to Section 148(f) 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 9.02 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 so long as the Bonds are Outstanding 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) five percent (5%) 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 2017-13, 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 9.03 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.

Section 9.04 Taxable Series and Taxable BANS; Inapplicability of this Article.

The State Treasurer is hereby authorized to designate a Series of Bonds as a Taxable Series. The provisions of the preceding Sections of this Article IX shall not apply to Bonds of a Taxable Series.

[End of Article IX]

ARTICLE X MISCELLANEOUS

Section 10.01 Failure to Present Bonds.

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 10.02 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 10.03 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 the findings of fact in Article I hereof, 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 10.04 Execution of Closing Documents and Certificates.

The Governor, the State Treasurer, the Secretary of State 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 10.05 Filing of Copies of Resolution.

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

Section 10.06 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 10.07 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 Authority, 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 Authority, officers and employees of the State under the provisions contained in this Section shall survive the termination of this Resolution.

Section 10.08 Continuing Disclosure.

(a) In accordance with Section 11-1-85 of the South Carolina Code, the Authority 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 10.08 shall be an action for specific performance of this covenant. The Authority 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. 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 10.08(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 H

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 United States 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 10.09 Law and Place of Enforcement of the Resolution.

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

[End of Article X]

EXHIBIT A

DEBT SERVICE REQUIREMENTS
ON ALL STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA

Fiscal Year Ending	Existing Debt Service		Total Debt Service
	Principal	Interest	
June 30, 2020	\$ 4,245,000	\$ 838,356	\$ 5,083,356
June 30, 2021	2,485,000	1,464,463	3,949,463
June 30, 2022	2,610,000	1,340,213	3,950,213
June 30, 2023	2,725,000	1,209,713	3,934,713
June 30, 2024	2,835,000	1,089,663	3,924,663
June 30, 2025	2,095,000	968,788	3,063,788
June 30, 2026	2,195,000	864,038	3,059,038
June 30, 2027	2,305,000	763,694	3,068,694
June 30, 2028	2,410,000	655,475	3,065,475
June 30, 2029	2,535,000	540,850	3,075,850
June 30, 2030	2,630,000	440,100	3,070,100
June 30, 2031	2,740,000	335,300	3,075,300
June 30, 2032	1,420,000	225,900	1,645,900
June 30, 2033	1,460,000	183,300	1,643,300
June 30, 2034	1,505,000	139,500	1,644,500
June 30, 2035	1,550,000	94,350	1,644,350
June 30, 2036	1,595,000	47,850	1,642,850
Total	\$ 39,340,000	\$ 11,201,550	\$ 50,541,550

EXHIBIT B

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
 SCHEDULE OF TUITION FEES IN EFFECT FOR PURPOSES OF
 SECTIONS 59-107-10 ET SEQ., CODE OF LAWS OF
 SOUTH CAROLINA 1976, AS AMENDED

Set forth below are the tuition and fees charged by each of the Academic Division's Colleges for resident and non-resident students for the 2019-2020 academic year (excluding the summer term) on an annual basis:

	<u>In-State¹</u>	<u>Out-of-State¹</u>
Dental Medicine		
Doctor of Dental Medicine	\$17,150	\$30,000
Dental Scientist Training Program	7,905	7,905
Master of Science in Dentistry	1,575	1,733
Master of Science in Oral Science	10,285	12,730
Graduate Studies		
Master of Science in Biomedical Sciences	\$ 6,752	\$9,484
Master of Science in Clinical Research	6,887	10,538
Master of Science in Medical Sciences	7,025	10,538
Ph.D. Program	7,954	10,686
Health Professions		
Bachelor of Science in Healthcare Studies	\$7,736	\$11,823
Cardiovascular Perfusion	8,149	12,831
Doctor of Nurse Anesthesia Practice - Post-Masters	7,724	7,724
Doctor of Nurse Anesthesia Practice - Post-Baccalaureate	7,724	11,065
Master in Health Administration-Executive	8,525	9,682
Master in Health Administration-Residential	8,525	12,828
Master of Science in Health Informatics	8,525	9,682
Master of Science in Occupational Therapy	8,346	12,220
Master of Science in Physical Assistant Studies	8,274	13,691
Doctor of Health Administration – Health Professional	10,290	10,290
Doctor of Health Administration - Health Administrator	10,290	10,290
Doctor of Health Administration –Interprofessional	6,958	6,958
Doctor of Health Administration- Information Systems	6,958	6,958
Ph. D. in Health and Rehabilitation Science	6,202	6,569
Doctor of Physical Therapy	8,142	11,922
Doctor of Occupational Therapy	8,346	12,220
Medicine		
First Year	\$14,175	\$25,175
Second Year ²	16,473	29,280
Third Year	17,240	28,552
Fourth Year	17,283	30,983
Master of Public Health	6,752	10,538

Nursing		
Undergraduate-BSN	\$ 7,811	\$11,670
Undergraduate-RN-BSN	5,480	5,644
Graduate – DNP	8,116	10,040
Graduate & Ph.D.	8,116	9,840
Pharmacy		
Doctor of Pharmacy-First, Second, Third Years	\$13,413	\$20,028
Doctor of Pharmacy-Fourth Year	11,691	17,505
Doctor of Pharmacy/Master of Science in Health Informatics (PharmD/MSHI) – Second & Third Year ²	34,611	48,903
– Fourth Year	14,286	20,454
Graduate Certificate Program in Clinical Pharmacy	55,125	55,125

For the fiscal year ended June 30, 2019, the amount of receipts designated as tuition for state institution bonds purposes was not less than the sum of \$6,579,681. The tuition and fees generated for the 2019 summer term are not included.

The maximum principal and interest debt service payment prior to the issuance contemplated herein is \$5,083,356, which occurs in the fiscal year ending June 30, 2020.

The maximum principal and interest debt service payment after the issuance contemplated herein is anticipated to be \$5,130,427*, which is anticipated to occur in the fiscal year ending June 30, 2022.

* Preliminary, subject to change.

¹ All tuition per semester unless otherwise noted

² Annual tuition

EXHIBIT C

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
PRO-FORMA DEBT SERVICE REQUIREMENTS OF
NOT EXCEEDING \$18,500,000 STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS,
AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	New Issue Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2021	\$ 415,000	\$ 174,911	\$ 589,911
June 30, 2022	835,000	345,215	1,180,215
June 30, 2023	845,000	335,946	1,180,946
June 30, 2024	855,000	326,482	1,181,482
June 30, 2025	865,000	316,906	1,181,906
June 30, 2026	870,000	307,132	1,177,132
June 30, 2027	880,000	297,214	1,177,214
June 30, 2028	895,000	287,006	1,182,006
June 30, 2029	905,000	276,176	1,181,176
June 30, 2030	915,000	264,683	1,179,683
June 30, 2031	925,000	252,605	1,177,605
June 30, 2032	940,000	237,435	1,177,435
June 30, 2033	960,000	219,669	1,179,669
June 30, 2034	980,000	199,413	1,179,413
June 30, 2035	1,000,000	176,971	1,176,971
June 30, 2036	1,025,000	152,471	1,177,471
June 30, 2037	1,055,000	125,923	1,180,923
June 30, 2038	1,080,000	97,333	1,177,333
June 30, 2039	1,110,000	66,877	1,176,877
June 30, 2040	1,145,000	34,465	1,179,465
Total	\$ 18,500,000	\$ 4,494,826	\$ 22,994,826

* Preliminary, subject to change.

EXHIBIT D

SCHEDULE SHOWING PRO-FORMA TOTAL PRINCIPAL AND INTEREST REQUIREMENTS OF
ALL GENERAL OBLIGATION STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
INCLUDING THE PROPOSED ISSUE OF
EIGHTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$18,500,000)
OF GENERAL OBLIGATION STATE INSTITUTION BONDS,
AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	Combined Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2020	\$ 4,245,000	\$ 838,356	\$ 5,083,356
June 30, 2021	2,900,000	1,639,373	4,539,373
June 30, 2022	3,445,000	1,685,427	5,130,427
June 30, 2023	3,570,000	1,545,659	5,115,659
June 30, 2024	3,690,000	1,416,145	5,106,145
June 30, 2025	2,960,000	1,285,694	4,245,694
June 30, 2026	3,065,000	1,171,169	4,236,169
June 30, 2027	3,185,000	1,060,907	4,245,907
June 30, 2028	3,305,000	942,481	4,247,481
June 30, 2029	3,440,000	817,026	4,257,026
June 30, 2030	3,545,000	704,783	4,249,783
June 30, 2031	3,665,000	587,905	4,252,905
June 30, 2032	2,360,000	463,335	2,823,335
June 30, 2033	2,420,000	402,969	2,822,969
June 30, 2034	2,485,000	338,913	2,823,913
June 30, 2035	2,550,000	271,321	2,821,321
June 30, 2036	2,620,000	200,321	2,820,321
June 30, 2037	1,055,000	125,923	1,180,923
June 30, 2038	1,080,000	97,333	1,177,333
June 30, 2039	1,110,000	66,877	1,176,877
June 30, 2040	1,145,000	34,465	1,179,465
Total	\$ 57,840,000	\$ 15,696,376	\$ 73,536,376

* Preliminary, subject to change.

EXHIBIT E

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
PROOF SHOWING COMPLIANCE WITH
TITLE 59, CHAPTER 107, CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED

Aggregate of tuition fees received by the University during preceding fiscal year ended June 30, 2019	\$6,579,681

Multiplied by	90%

Produces	\$5,921,713

Maximum annual debt service on all State Institution Bonds of the University (including the proposed issue of not exceeding Eighteen Million Five Hundred Thousand Dollars (\$18,500,000) General Obligation State Institution Bonds issued on behalf of the University)	\$5,130,427

Margin	\$791,286

(FORM OF BOND)
(FACE OF BOND)UNITED STATES OF AMERICA
GENERAL OBLIGATION STATE INSTITUTION BOND
(ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA)
SERIES 20__
OF THE STATE OF SOUTH CAROLINA

No. R-1

<u>Rate of Interest</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
	____ 1, 20__	____ 1, 20__	

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 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 (\$_____,000) of like tenor, except as to registered owner, numbering, rate of interest, redemption provisions, 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 107, Title 59 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 _____, 20__.

[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 respectively matures, the full faith, credit and taxing power of the State are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by the University are also pledged.

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 \$1,000 and any whole multiple of \$1,000. 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

SEAL

Henry D. McMaster
Governor

Curtis M. Loftis, Jr.
State Treasurer

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], as Registrar

By: _____
Authorized Signatory

Date: _____, 20__

(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 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)

OFFICIAL NOTICE OF SALE

\$ _____ *

STATE OF SOUTH CAROLINA
 GENERAL OBLIGATION STATE INSTITUTION BONDS
 (ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA)
 SERIES _____

(BOOK-ENTRY-ONLY)

ELECTRONIC BIDS for the purchase of the \$ _____ * General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series _____ of the State of South Carolina (the "Bonds"), will be received by the Governor of the State of South Carolina (the "Governor") and the State Treasurer of the State of South Carolina (the "State Treasurer"), in the Office of the State Treasurer, Room 121, in the Wade Hampton Office Building, Capitol Complex, Columbia, South Carolina, 29201, until _____ a.m. (Eastern Time) on _____, or on such other date and time as may be established by the Governor and the State Treasurer and communicated by Thomson Municipal Market Monitor ("TM3") not later than 48 hours prior to the time the bids are to be received.

IF THE COMPETITIVE SALE REQUIREMENTS UNDER THE PROVISIONS OF TREASURY REGULATIONS SECTION 1.148-1(f)(3)(i), INCLUDING THE RECEIPT OF THREE BIDS, ARE NOT MET, ALL BIDS WILL BE REJECTED AND THE SALE OF THE BONDS WILL BE CANCELLED.

PARITY® Only. All bids must be submitted through BiDCOMP/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 IPREO, Municipal Services, telephone (212) 404-8102, or parity@ipreo.com.

Authorization and Security. The Bonds are issued pursuant to (i) Article X, Section 13(6)(b) of the South Carolina Constitution, and (ii) Title 59, Chapter 107 of the South Carolina Code, as supplemented by Section 11-27-30 of the South Carolina Code, and Section 11-29-30 of the South Carolina Code, and constitute general obligations of the State. On _____, 20__, the South Carolina State Fiscal Accountability Authority adopted a resolution providing for the issuance of the Bonds.

Description of the Bonds. 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 will be dated as of the Date of Delivery ("Dated Date") expected to be on or about _____, 20__, and bear interest at a rate or rates to be named by the successful bidder. Interest on the Bonds will be payable on _____ 1 and _____ 1 of each year commencing _____ 1, 20__. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Both principal of and interest on the Bonds 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. The

* Subject to adjustment as set forth herein.

Bonds will be issued in denominations of \$1,000 or any multiple thereof. The Bonds will mature on _____ 1 in the years and principal amounts as follows:

_____ 1	<u>Principal Amount*</u>	_____ 1	<u>Principal Amount*</u>

Optional Redemption. The Bonds maturing on or prior to _____, 20____, are not subject to optional redemption prior to their maturity date. The Bonds maturing after _____, 20____ are 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 _____, 20____, at the redemption price of par plus accrued interest to the date fixed for redemption.

Term Bonds. Bidders may designate in their bid two or more consecutive annual principal payments as a term bond which matures on the last Annual Principal Payment Date of the sequence. Any term bond so designated must be subject to mandatory sinking fund redemptions in each year on the Annual Principal Payment Dates such that the principal amounts subject to mandatory sinking fund redemption match the principal amounts scheduled to mature as set forth in the table above* and equal, together with the principal amount of such term bond due at its maturity, the principal amount of the term bond. There is no limitation on the number of term bonds.

Adjustments to Principal Amounts of the Bonds. As promptly as reasonably possible after the bids are received, the State will notify the bidder to whom the Bonds will be awarded, if and when such award is made, and such bidder, upon such notice, shall advise the State of the initial public offering prices of each maturity of the Bonds (the "Initial Reoffering Prices"). The Initial Reoffering Prices of the Bonds will be used to calculate the final maturity schedule and the final aggregate principal amount of the Bonds (the "Final Amounts") to achieve the State's debt service objectives. The successful bidder may not withdraw its bid or change the interest rates bid or the Initial Reoffering Prices as a result of any changes made to the revised amounts.

The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the aggregate principal amount of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount or premium, if any, but will not change the selling compensation per \$1,000 of par amount of the Bonds from the selling compensation that would have been received based on the purchase price of the winning bid and the Initial Reoffering Prices. The interest rate specified by the successful bidder for each maturity at the Initial Reoffering Price for such maturity will not change.

The Final Amounts and the adjusted purchase price will be communicated to the successful bidder as soon as possible, but no later than 5:00 p.m. (Eastern Time) on the day of the sale.

* Subject to adjustment as set forth herein.

Electronic Bidding Procedures. Bids to purchase Bonds (all or none) must be submitted electronically via PARITY®. Bids will be communicated electronically to the State at ____ a.m. (Eastern Time) on ____, _____. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via PARITY®, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds or (3) withdraw its proposed bid. Once the bids are communicated electronically via PARITY® to the State, each bid will constitute an irrevocable and unconditional offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on PARITY® shall constitute the official time. The State will not accept bids by any means other than electronically via PARITY®.

Disclaimer. Each prospective bidder shall be solely responsible to submit its bid via PARITY® as described above. Each prospective bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. Neither the State nor PARITY® shall have any duty or obligation to provide or assure access to PARITY® to any prospective bidder, and neither the State nor PARITY® shall be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The State is using PARITY® as a communication mechanism, and not as the State's agent, to conduct the electronic bidding for the Bonds. The State is not bound by any advice and determination of PARITY® to the effect that any particular bid complies with the terms of this Official Notice of Sale and in particular the "Conditions of Sale" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their submission of bids via PARITY® are the sole responsibility of the bidders; and the State is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying, or withdrawing a bid for the Bonds, the bidder should telephone PARITY® at (212) 404-8102 and notify the State's Financial Advisor, Public Resources Advisory Group, Inc., by telephone at (212) 566-7800. To the extent any instructions or directions set forth in PARITY® conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about PARITY®, potential bidders may contact PARITY® at i-Deal (212) 404-8102.

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 all of the Bonds at the lowest interest cost (as defined below) to the State at a price of not less than the par amount of the Bonds, plus accrued interest to the date of delivery, if any. 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 must bear the same rate of interest;
 - (b) No rate of interest named shall be more than five (5.0) percentage points;
 - (c) A zero (0.0) percentage point rate of interest is not permitted;
 - (d) Each interest rate named must be a multiple of 1/8th or 1/20th of one (1) percentage point;
- and
- (e) Any premium offered must be paid in cash as a part of the purchase price;

All bids must be for no less than 100 percent of the par value of the Bonds.

By submitting a bid, each bidder represents that the bidder's proposal is genuine, and not a sham or collusive, and is not made in the interest of or on behalf of any person not therein named, the bidder 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 the bidder has not in any manner sought by collusion to secure for it an advantage over any other bidder. No good faith deposit will be required.

Basis of Award. IF THE COMPETITIVE SALE REQUIREMENTS UNDER THE PROVISIONS OF TREASURY REGULATIONS SECTION 1.148-1(f)(3)(i), INCLUDING THE RECEIPT OF THREE BIDS, ARE NOT MET, ALL BIDS WILL BE REJECTED AND THE SALE OF THE BONDS WILL BE CANCELLED. If at least three bids are received and the competitive sale requirements under provision of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) are met, the Bonds will be awarded to the bidder offering to purchase all of the Bonds at the lowest interest cost to the State. The lowest interest cost shall be determined in accordance with the true interest cost (TIC) method by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the amount bid, not including interest accrued to the date of delivery (expected to be on or about _____, ____), if any.

Acceptance or Rejection of Bids. Bids will be accepted or rejected promptly after receipt and not later than by 2:00 p.m. (Eastern Time) on the day of the sale. In the event of tie low bids, the State shall select the successful bidder or bidders.

Rights Reserved. The State reserves the right to reject any and all bids and to reject any bids not complying with this Official Notice of Sale. The State also reserves the right to waive any irregularity or informality with respect to any bid.

Right to Change this Official Notice of Sale and to Postpone Offering. The State reserves the right to make changes to this Official Notice of Sale and also reserves the right to postpone, from time to time, the date and time established for the receipt of bids. Any such postponement will be announced via TM3. If any date and time fixed for the receipt of bids and the sale of the Bonds is postponed, an alternative sale date and time will be announced via TM3 at least 48 hours prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit an electronic bid for the purchase of the Bonds in conformity in all respects with the provisions of this Official Notice of Sale, except for the date and time of sale and except for any changes announced over TM3 at the time the sale date and time are announced.

Delivery of the Bonds. The Bonds will be delivered through the facilities of DTC on or about _____, _____, against payment of the purchase price therefor in federal funds.

Documents to be Delivered at Closing. The State will furnish, without cost to the successful bidder, the Bonds and the opinions of The Honorable Alan Wilson, Attorney General of the State of South Carolina; and Pope Flynn, LLC, Bond Counsel. The opinion of Bond Counsel will be attached to the back of each of the Bonds.

Tax Opinion. The opinion of Bond Counsel 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 is not an item of tax preference for purposes of the federal alternative minimum tax; 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 remains 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.

Undertakings of the Successful Bidder. The successful bidder (hereafter, the “Purchaser”) agrees to provide certificates, including, but not limited to, the issue price certificate attached hereto as Exhibit A.

CUSIP Numbers. 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. All expenses in relation to the printing of the CUSIP identification numbers on the Bonds shall be paid by the State. However, the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid by the Purchaser.

Official Statement. 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 United States Securities and Exchange Commission (the “Rule”). The only information omitted from the Preliminary Official Statement are those items permitted to be omitted under the Rule. The Preliminary Official Statement will be made 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 business days after the sale date, a mutually agreed upon number of printed 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.

Continuing Disclosure. In order to assist the Purchaser in complying with the Rule, the State will undertake, in accordance with the authorizing resolutions pursuant to which the Bonds are issued 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.

Additional Information. Prospective purchasers may obtain, in advance of the sale, copies of the Preliminary Official Statement relating to the Bonds from (i) the i-dealprospectus website, <http://www.i-dealprospectus.com>; (ii) Kevin Kibler, Senior Assistant State Treasurer, 122 Wade Hampton Office Building, Columbia, South Carolina, 29201 (telephone: (803) 734-1391; email: kevin.kibler@sto.sc.gov); or (iii) Samuel W. Howell IV, Disclosure Counsel, Howell Linkous & Nettles, LLC, The Lining House, 106 Broad Street, Charleston, South Carolina, 29401 (telephone: (843) 266-3801; email: samhowell@bond-law.com).

Henry D. McMaster, Governor of South Carolina

Curtis M. Loftis, Jr., State Treasurer of South Carolina

Dated _____, 20__

CERTIFICATE AS TO ISSUE PRICE

\$ _____ *

STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA)
SERIES 20 _____

The undersigned, a duly authorized officer of _____, as the purchaser (the "Purchaser") of the above-captioned obligations (the "Bonds") issued by the State of South Carolina (the "State"), represents and certifies, to establish the "issue price" of the Bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and certain other matters, that:

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

(d) The Purchaser has an established industry reputation for underwriting new issuances of municipal bonds.

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, ____.

(d) *Underwriter* as used herein means (i) any person that agrees pursuant to a written contract with the State (or with the lead Underwriter to form a syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the

* Subject to adjustment as set forth herein.

Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Code and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the State with respect to certain of the representations set forth in the Tax and Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by [Bond Counsel], as bond counsel to the State, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the State from time to time relating to the Bonds.

Signed this ____ day of _____, ____.

[Purchaser]

By: _____
Name: _____
Title: _____

Schedule A

Expected Offering Prices

Schedule B

Copy of Winning Bid

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this “Disclosure Undertaking”) is executed and delivered this ____ day of _____, 20__, by the State of South Carolina (the “State”) in connection with the issuance of the State’s \$_____ General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 20__ (the “Bonds”).

The Bonds are being issued pursuant to a resolution adopted on _____, 20__ (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 U.S. Securities and Exchange Commission (the “SEC”) Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution or elsewhere in this Disclosure Undertaking, 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. 34-59062 (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.

“Financial Obligation” as used in this Disclosure Undertaking is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with 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 _____, 20__, 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, 20__, 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, 20__, 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) The Annual Report shall be submitted to the MSRB either through a web-based electronic submission interface or through electronic computer-to-computer data connections with EMMA in accordance with the submission process, document format and configuration requirements established by the MSRB. The Annual Report shall also include all related information required by the MSRB to accurately identify: (i) the category of information being provided; (ii) the period covered by the Annual Report; (iii) the issues or specific securities to which the Annual Report is related (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the State; (v) the name and date of the document; and (vi) contact information for the Dissemination Agent or the State’s submitter.

(c) 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.

(d) In the event that there is a Dissemination Agent, then not later than fifteen (15) business days prior to each due date, the State shall provide the Annual Report to the Dissemination Agent for distribution to the MSRB. 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, and stating the date it was provided to the MSRB.

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 provided to the MSRB 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 "DEBT OF THE STATE OF SOUTH CAROLINA;"

(d) Total outstanding general obligation bonds and annual debt service as set forth in the Official Statement under the headings "DEBT OF THE STATE" and "TABLES RELATING TO THE BONDS AND THEIR EFFECT ON THE DEBT OF THE STATE;" 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, if 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, which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the 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;
- (xv) incurrence of a Financial Obligation of an obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an obligated person, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an obligated person, 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 CUSIP number or shall be accompanied 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, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(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; provided, however, that any such action may be instituted only in the Federal or State courts located in Columbia, South Carolina. 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. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking, and in any separate written agreement between the Issuer and the Dissemination Agent.

Section 13. 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.

STATE OF SOUTH CAROLINA

Date: _____, 20__

By: _____
State Treasurer

EXHIBIT A

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

Issuer: State of South Carolina

Obligations: \$_____ General Obligation State Institution Bonds (Issued on Behalf of
The Medical University of South Carolina), Series 20__

Date of Issuance: _____, 20__

CUSIP: _____

NOTICE IS HEREBY GIVEN that the State has not provided an Annual Report with respect to the above-named Bonds as required by the Resolution adopted on _____, 20__. The State anticipates that the Annual Report will be filed by _____.

STATE OF SOUTH CAROLINA

By: _____
State Treasurer

Date: _____



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 10/15/19

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: H51 Issuer: State of South Carolina Series: 2019
 Borrower (if not Issuer): The Medical University of South Carolina
 Bond Caption: General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina)
 Bond Resolution Amount: \$18,500,000.00 Est. Production/Par Amt: \$15,030,000.00

(* Used to calculate Initial COI percentages; STO bond issues must use Par Amt *)

Submitted By:

Final Production/Par Amt: \$0.00

ENTITY: Medical University of South Carolina
 BY: Patrick J. Wamsley
 ITS: Chief Financial Officer
 Tel: 843-792-8908
 Email: wamsley@musc.edu

Transaction Type/Method of Sale:

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

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

MSRB (EMMA) Continuing Disclosure Responsible Party:

2. FINANCING (NEW PORTION)

Project #: H51-9846 Project Name: New College of Pharmacy Addition and Innovative Instructional Redesign Renovation
 Project Address/Location: 173 Ashley Avenue, Charleston, Sc 29425 Amount: \$18,000,000.00
 Project Type: New construction & Renovation County: Charleston
 Projected Avg Interest Rate: 2.901% (Proj. all-In TIC) Final Maturity: 04/01/40

3. FINANCING (REFUNDED PORTION)

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

4. FINANCING WORKING GROUP

Financial Advisor: Public Resources Advisory Group Disclosure Counsel: Howell Linkous & Nettles
 Bond Counsel: Pope Flynn Issuer's Counsel:
 Underwriter: TBD - Competitive Trustee: Office of State Treasurer
 Paying Agent: US Bank Other:

5. FINANCING/PROJECT DESCRIPTION

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

** Please see supplemental attachment. **

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Issuer/Borrower Approval:	10/11/19
JBRC Approval:	10/02/19
SFAA Approval:	10/15/19

Project Approvals - Plus, if State Auditor Only	Notes:
Issuer/Borrower Approval:	08/08/19
JBRC Approval:	10/02/19
SFAA Approval:	10/15/19

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?

☐ ☒

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	FY	Spend Plan - Scheduling Notes
\$ 18,260,939.25	6/30/2021	COI, Construction, ** See supplemental attachment. **
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 18,260,939.25		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 15,030,000.00	\$ 18,000,000.00	Project Fund
(b) Premium/Accr. Int.	\$ 3,230,639.25	\$	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$	\$	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	\$	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 260,639.25	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)	\$	\$	Accrued Interest
Type - ICPF, Clinical, Other	\$ 30,000,000.00	\$ 40,000,000.00	Construction
Residual Project Sources			Other
(6) Other			Other
(a) GF - CRF	\$ 10,000,000.00	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Sources	\$ 58,260,639.25	\$ 58,260,639.25	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			\$ 35,000.00	\$	\$ 35,000.00
Bond Counsel	Pope Flynn			\$ 25,000.00	\$	\$ 25,000.00
Disclosure Counsel	Howell Linkous & Nettles			\$ 25,000.00	\$	\$ 25,000.00
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 - Pitch				\$ 18,000.00	\$	\$ 18,000.00
Underwriter's Compensation				\$ 75,150.00	\$	\$ 75,150.00
Registrar / Paying Agent				\$ 10,000.00	\$	\$ 10,000.00
Escrow Agent				\$	\$	\$
Accountant				\$	\$	\$
Verification Agent				\$	\$	\$
Printing				\$ 5,000.00	\$	\$ 5,000.00
Publishing				\$ 1,500.00	\$	\$ 1,500.00
Advertising				\$ 3,000.00	\$	\$ 3,000.00
Contingency				\$ 5,489.25	\$	\$ 5,489.25
Issuer's Fee	SC JEDA / SC SHFDA			\$	\$	\$
				\$ 260,639.25	\$	\$ 260,639.25

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

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

0.23%	#DIV/0!
0.17%	#DIV/0!
0.33%	#DIV/0!
0.50%	#DIV/0!

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

0.50%	#DIV/0!
0.17%	#DIV/0!
1.73%	#DIV/0!



South Carolina Office of State Treasurer
New Debt Information Form Attachment
10.15.2019 – Medical University of South Carolina
– State Institution Bonds - \$18,500,000

Supplemental Response to Section 5:

This SFAA request is to authorize the issuance of MUSC GO State Institution Bonds in order to facilitate the construction of approximately 26,000 square feet to the Basic Science Building ("BCB") for relocation of the College of Pharmacy. The project will also renovate approximately 13,000 square feet of classroom space in the Basic Science Building and 68,000 square feet of space on all four floors of the Colbert Library. The goal of the project is to provide state-of-the-art academic and student support space for the College of Pharmacy as well as new flexible classroom and instructional space for collaborative 21st century pedagogy across the six MUSC colleges.

This project was first conceptualized as a new building to replace the existing College of Pharmacy (built in 1939 with a deferred maintenance need of >\$5 million), to provide expanded College of Medicine student support space to comply with accreditation mandates, and to provide much needed classroom and instructional space for the entire university. It is important to note that the professional accreditation organization for the College of Pharmacy (ACPE) has noted the quality of the space for the College as inadequate during the last two accreditation reports for MUSC. Completion of a feasibility study that explored the cost of a new building (\$93 million) versus renovating existing under-utilize space (approx. \$58 million) demonstrated that we could accomplish all of our programmatic needs at a much lower cost. This project also saves on scheduled deferred maintenance for these existing buildings that can be accomplished during this project.

Financing will consist of the requested borrowing of not more than \$18,500,000, combined with use of \$10,000,000 of Capital Reserve Funds, \$11,000,000 of Institutional Capital Project Funds, \$10,000,000 from capital project reserves, \$5,000,000 of Clinical Revenue, and \$4,000,000 in gifts and donations.

Supplemental Response to Section 7:

Overall Construction Duration 12 Months

Flow in this scenario runs from the BSB addition to Colbert, then back to the BSB classrooms. Abatement of Colbert and BSB begins in May 2020, and runs concurrently with demolition in cleared spaces. Utilities and site demolition for the BSB addition begins in May 2020 as well, in anticipation of the start of foundations.

The BSB foundation work will run through the middle of the summer, with steel erection starting in August. Colbert foundations and structure follow immediately behind the BSB, to maintain crew flow and move heavy equipment off of the site.



South Carolina Office of State Treasurer
New Debt Information Form Attachment
10.15.2019 – Medical University of South Carolina
– State Institution Bonds - \$18,500,000

Demolition work in the classrooms continues through the fall with the structural rework, so the most disruptive work in terms of noise and vibration will be happening at the same time as the BSB heavy foundation and structural work.

The BSB addition roof immediately follows steel to allow overhead work within the addition and concrete pours to proceed. Skin for the BSB starts as soon as curtainwall frames are available in September, with the goal of having the addition dried in Early November.

Colbert dry in follows right behind, with the potential for temporary enclosure to avoid weather related delays to overhead interior or finishing work. The extent of the classroom demolition and structural work pushes the start of finishes for the classrooms into 2021.

Interior work is phased in this scenario so that the BSB addition, Colbert and the BSB classrooms are all turned over before the end of the Spring 2021 semester. This option provides the shortest overall construction duration, but does require significant coordination between both buildings and would require more phasing space due to the greater concurrent impacted space. There is also a cost savings for this option due the reduction of site GCs and GRs by close to half.

STATE FISCAL ACCOUNTABILITY AUTHORITY

MEETING OF October 15, 2019

REGULAR SESSION

ITEM NUMBER 14

AGENCY: University of South Carolina

SUBJECT: Not Exceeding \$240,000,000 Higher Education Revenue Bonds, Issued on Behalf of the University of South Carolina and Bond Anticipation Notes

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$240,000,000 Higher Education Revenue Bonds, issued on behalf of the University of South Carolina; and authorizing the issuance and sale of Bond Anticipation notes.

The proceeds of the bonds will be used for the purpose of providing funds to acquire, construct, improve and equip a project commonly known as the Campus Village project, which includes student housing facilities, anticipated to provide not less than 1,800 student housing beds subject to configuration, programing, and layout consideration, on the Columbia campus of the University, as well as on-site and off-site dining, on-site and off-site parking and transportation, on-site and off-site recreation and fitness, retail, and other auxiliary facilities and infrastructure related thereto, in one or more structures.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$240,000,000 Higher Education Revenue Bonds, issued on behalf of the University of South Carolina; and authorizing the issuance and sale of Bond Anticipation Notes.

ATTACHMENTS:

Pope 9/3/19 letter to Singleton; Pope 9/3/19 letter to Harmon with attachments; Parks 9/20/19 memo to McCook and Singleton; Resolution; NDIF



Pope Flynn, LLC
1411 Gervais Street, Suite 300
Post Office Box 11509 (29211)
Columbia, SC 29201

MAIN 803.354.4900
FAX 803.354.4899
www.popeflynn.com

September 3, 2019

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

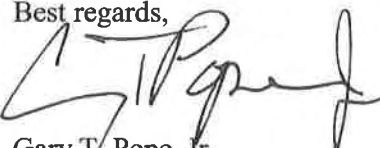
Re: Not Exceeding \$240,000,000 Higher Education Revenue Bonds of the University of South Carolina (the "Bonds")

Dear Delbert:

On behalf of the University of South Carolina, in connection with the authorization of the Bonds, and in anticipation of the South Carolina State Fiscal Accountability Authority (the "Authority") meeting scheduled for October 15, 2019, we respectfully enclose the following for consideration by the Authority:

1. A copy of a bond resolution dated June 21, 1996, of the Board of Trustees of the University of South Carolina providing for the issuance of Higher Education Revenue Bonds of the University of South Carolina;
2. A copy of a series resolution adopted by the Board of Trustees of the University of South Carolina on June 21, 2019, authorizing the issuance of the Bonds;
3. A proposed form of opinion of Bond Counsel;
4. A proposed form of opinion of Pope Flynn, LLC relating to the sufficiency of the proceedings and information submitted to the Authority in connection with its consideration of the approval of the Bonds. Should you find it acceptable, please let us know and we will provide an executed opinion; and
5. A proposed form of resolution of the Authority (an electronic copy is being provided contemporaneously with this letter).

We have provided the Office of State Treasurer with copies of the Bond Counsel Selection Form, the New Debt Information Form (NDIF) – Initial Form, and a copy of this submission package. Please let us know should you require anything further or if you have any questions regarding the enclosed.

Best regards,

Gary T. Pope, Jr.

c: Charlie D. FitzSimons, Director of Capital Budgets & Financing, University of South Carolina
Kevin Kibler, Senior Assistant State Treasurer, Office of State Treasurer

Enclosures



Pope Flynn, LLC
1411 Gervais Street, Suite 300
Post Office Box 11509 (29211)
Columbia, SC 29201
MAIN 803.354.4900
FAX 803.354.4899
www.popeflynn.com

September 3, 2019

Mr. F. Richard Harmon, Jr.
Senate Finance
111 Gressette Building
Columbia, South Carolina 29202

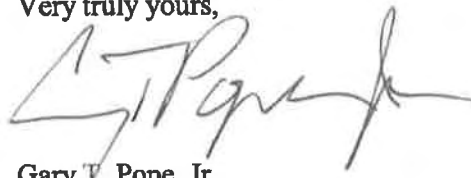
Re: Not Exceeding \$240,000,000 of Higher Education Revenue Bonds of the University of South Carolina (the "Bonds")

Dear Rick:

The University of South Carolina plans to request project review and approval of its proposed Campus Village project at the October 2019 Joint Bond Review Committee and State Fiscal Accountability Authority meetings, and in connection with such request will propose that a portion of the budget for such project include proceeds of the Bonds. In accordance with the policy adopted by the Joint Bond Review Committee on October 7, 2014, as amended on September 13, 2016, regarding any agency or institution request for a project approval that results in the addition of bond funds to the project budget, please find enclosed the required documentation detailing the proposed financing of the proposed project. On behalf of the University of South Carolina, we respectfully request that the Joint Bond Review Committee consider the request for the use of proceeds from the proposed Bonds in connection with its consideration of the proposed project at its meeting currently scheduled for October 2, 2019.

Please let us know should you require anything further or if you have any questions regarding the enclosed.

Very truly yours,



Gary T. Pope, Jr.

c: Charlie D. FitzSimons, Director of Capital Budgets & Financing, University of South Carolina
Kevin Kibler, Senior Assistant State Treasurer, Office of State Treasurer

Enclosures

University of South Carolina Bond Information Report

Prepared in Connection with the Proposed Authorization of

Not Exceeding \$240,000,000 of the University of South Carolina
Higher Education Revenue Bonds, Series 2019

October 2, 2019

Revenues Pledged to Pay the Bonds. The University of South Carolina's proposed not exceeding \$240,000,000 Higher Education Revenue Bonds (the "Bonds") are payable from, and are secured by a pledge of, the Net Revenues and the Additional Funds ("Pledged Revenues"). Under the bond resolution governing the issuance of the University's Higher Education Revenue Bonds the University must maintain Net Revenues at least equal to composite debt service on all outstanding Higher Education Revenue Bonds. The Net Revenues for the fiscal year ended June 30, 2019, totaled \$28,948,484. The estimated debt service requirements on all existing, authorized, and proposed Higher Education Revenue Bonds are attached as Exhibit A. Exhibit B reflects estimated maximum annual debt service of \$28,009,074 in the fiscal year ending June 30, 2025. Exhibit B reflects anticipated Net Revenues debt service coverage ranging from 1.65 to 3.33 times annual debt service on a pro forma basis. Exhibit C demonstrates coverage using solely pro forma Net Revenues generated from the Campus Village project.

New Revenue Generation. The primary purpose of this project is to expand the available student housing on the Columbia Campus. The project will create approximately 1,800 additional beds that will be used to meet the existing needs for freshman and limited upper-classmen housing. The proceeds from the facilities created by this project will service the debt associated with the project. The project is anticipated to generate an annual marginal increase in Net Revenues ranging from \$16,348,736 to \$24,812,648 over the life of the proposed Bonds.

Other Funds Available to Pay Bonds. While the University intends to pay debt service on the Bonds from the Net Revenues, both the Net Revenues and the Additional Funds comprise the Pledged Revenues that secure the Bonds. The Additional Funds comprise essentially all legally available funds of the University and totaled \$888,578,854 for the fiscal year ended June 30, 2019. Pursuant to Section 59-147-110 of the Code of Laws of South Carolina 1976, as amended, the Bonds are not payable from State appropriations or student tuition and fees pledged to the payment of State Institutions Bonds. Also, certain specific revenues pledged to the payment of specific obligations, such as Athletic Facilities Revenue Bonds, are likewise unavailable for payment on the Bonds and are not a component of Pledged Revenues.

No Special Student Fees. No Credit of the State. No Mortgage. No Special Student Fee is currently imposed or contemplated. Neither the full faith and credit of the University nor the State of South Carolina has been pledged to the payment of Higher Education Revenue Bonds. Further, no mortgage or lien has been or will be given on any real property of the University.

Exhibit A
University of South Carolina
Higher Education Revenue Bonds - Debt Service

Fiscal Year	Existing Debt Service *	Debt Service on Proposed Bond Issue			Total Composite Debt Service
		Principal	Interest	Capitalized Interest	
6/30/20	\$ 17,188,838	\$ -	\$ 4,655,198	\$ (4,655,198)	\$ 17,188,838
6/30/21	16,760,038	-	9,310,396	(9,310,396)	16,760,038
6/30/22	16,759,538	-	9,310,396	(9,310,396)	16,759,538
6/30/23	16,757,538	1,645,000	9,289,834	(2,327,599)	25,364,772
6/30/24	16,388,038	2,030,000	9,243,389		27,661,426
6/30/25	16,383,288	2,440,000	9,185,786		28,009,074
6/30/26	15,524,788	2,870,000	9,115,608		27,510,396
6/30/27	15,552,638	3,325,000	9,030,933		27,908,570
6/30/28	13,047,638	3,805,000	8,929,543		25,782,180
6/30/29	13,051,988	4,360,000	8,810,060		26,222,048
6/30/30	13,047,488	4,860,000	8,666,175		26,573,663
6/30/31	13,056,738	5,445,000	8,477,700		26,979,438
6/30/32	11,887,988	6,105,000	8,246,700		26,239,688
6/30/33	11,888,488	6,640,000	7,991,800		26,520,288
6/30/34	11,060,250	7,200,000	7,715,000		25,975,250
6/30/35	9,245,275	7,790,000	7,415,200		24,450,475
6/30/36	8,579,825	8,410,000	7,091,200		24,081,025
6/30/37	8,590,825	9,060,000	6,741,800		24,392,625
6/30/38	8,587,125	9,740,000	6,365,800		24,692,925
6/30/39	4,334,375	10,270,000	5,965,600		20,569,975
6/30/40	3,291,875	10,680,000	5,546,600		19,518,475
6/30/41	1,624,875	11,105,000	5,110,900		17,840,775
6/30/42	1,625,313	11,550,000	4,657,800		17,833,113
6/30/43	1,623,688	12,010,000	4,186,600		17,820,288
6/30/44	-	12,490,000	3,696,600		16,186,600
6/30/45	-	12,990,000	3,187,000		16,177,000
6/30/46	-	13,510,000	2,657,000		16,167,000
6/30/47	-	14,050,000	2,105,800		16,155,800
6/30/48	-	14,615,000	1,532,500		16,147,500
6/30/49	-	15,200,000	936,200		16,136,200
6/30/50	-	15,805,000	316,100		16,121,100
	<u>\$ 265,858,450</u>	<u>\$ 240,000,000</u>	<u>\$ 195,491,216</u>	<u>\$ (25,603,589)</u>	<u>\$ 675,746,077</u>

* This column represents only Higher Education Revenue Bonds of the University secured by the Pledged Revenues.

Exhibit B
University of South Carolina
Higher Education Revenue Bonds - Coverage

Fiscal Year	Composite Debt Service	FY19 Net Revenues*	Coverage Ratio Based on FY19 Net Revenues	Pro Forma Net Revenues**	Total Pro Forma Net Revenues	Pro Forma Coverage Ratio
6/30/20	\$ 17,188,838	\$ 28,948,484	1.68	\$ -	\$ 28,948,484	1.68
6/30/21	16,760,038	28,948,484	1.73	-	28,948,484	1.73
6/30/22	16,759,538	28,948,484	1.73	-	28,948,484	1.73
6/30/23	25,364,772	28,948,484	1.14	16,348,736	45,297,220	1.79
6/30/24	27,661,426	28,948,484	1.05	16,762,577	45,711,061	1.65
6/30/25	28,009,074	28,948,484	1.03	17,189,317	46,137,801	1.65
6/30/26	27,510,396	28,948,484	1.05	17,629,356	46,577,840	1.69
6/30/27	27,908,570	28,948,484	1.04	18,083,105	47,031,589	1.69
6/30/28	25,782,180	28,948,484	1.12	18,550,988	47,499,472	1.84
6/30/29	26,222,048	28,948,484	1.10	19,033,443	47,981,927	1.83
6/30/30	26,573,663	28,948,484	1.09	19,530,919	48,479,403	1.82
6/30/31	26,979,438	28,948,484	1.07	20,043,881	48,992,365	1.82
6/30/32	26,239,688	28,948,484	1.10	20,572,808	49,521,292	1.89
6/30/33	26,520,288	28,948,484	1.09	17,720,264	46,668,748	1.76
6/30/34	25,975,250	28,948,484	1.11	18,074,669	47,023,153	1.81
6/30/35	24,450,475	28,948,484	1.18	18,436,163	47,384,647	1.94
6/30/36	24,081,025	28,948,484	1.20	18,804,886	47,753,370	1.98
6/30/37	24,392,625	28,948,484	1.19	19,180,984	48,129,468	1.97
6/30/38	24,692,925	28,948,484	1.17	19,564,603	48,513,087	1.96
6/30/39	20,569,975	28,948,484	1.41	19,955,896	48,904,380	2.38
6/30/40	19,518,475	28,948,484	1.48	20,355,013	49,303,497	2.53
6/30/41	17,840,775	28,948,484	1.62	20,762,114	49,710,598	2.79
6/30/42	17,833,113	28,948,484	1.62	21,177,356	50,125,840	2.81
6/30/43	17,820,288	28,948,484	1.62	21,600,903	50,549,387	2.84
6/30/44	16,186,600	28,948,484	1.79	22,032,921	50,981,405	3.15
6/30/45	16,177,000	28,948,484	1.79	22,473,580	51,422,064	3.18
6/30/46	16,167,000	28,948,484	1.79	22,923,051	51,871,535	3.21
6/30/47	16,155,800	28,948,484	1.79	23,381,512	52,329,996	3.24
6/30/48	16,147,500	28,948,484	1.79	23,849,142	52,797,626	3.27
6/30/49	16,136,200	28,948,484	1.79	24,326,125	53,274,609	3.30
6/30/50	16,121,100	28,948,484	1.80	24,812,648	53,761,132	3.33

* Unaudited

** Pro Forma Net Revenues represent the increase in Net Revenues generated by the project.

Exhibit C
University of South Carolina
Higher Education Revenue Bonds - Pro Forma Coverage Only

Fiscal Year	Debt Service on Proposed Bond Issue				Total Debt Service	Pro Forma Net Revenues*	Pro Forma Coverage Ratio
	Principal	Interest	Capitalized Interest	Interest			
6/30/20	\$ -	\$ 4,655,198	\$ (4,655,198)	\$ -	\$ -	\$ -	-
6/30/21	-	9,310,396	(9,310,396)	-	-	-	-
6/30/22	-	9,310,396	(9,310,396)	-	-	-	-
6/30/23	1,645,000	9,289,834	(2,327,599)	8,607,235	16,348,736	1.50	
6/30/24	2,030,000	9,243,389	-	11,273,389	16,762,577	1.49	
6/30/25	2,440,000	9,185,786	-	11,625,786	17,189,317	1.48	
6/30/26	2,870,000	9,115,608	-	11,985,608	17,629,356	1.47	
6/30/27	3,325,000	9,030,933	-	12,355,933	18,083,105	1.46	
6/30/28	3,805,000	8,929,543	-	12,734,543	18,550,988	1.46	
6/30/29	4,360,000	8,810,060	-	13,170,060	19,033,443	1.45	
6/30/30	4,860,000	8,666,175	-	13,526,175	19,530,919	1.44	
6/30/31	5,445,000	8,477,700	-	13,922,700	20,043,881	1.44	
6/30/32	6,105,000	8,246,700	-	14,351,700	20,572,808	1.43	
6/30/33	6,640,000	7,991,800	-	14,631,800	17,720,264	1.21	
6/30/34	7,200,000	7,715,000	-	14,915,000	18,074,669	1.21	
6/30/35	7,790,000	7,415,200	-	15,205,200	18,436,163	1.21	
6/30/36	8,410,000	7,091,200	-	15,501,200	18,804,886	1.21	
6/30/37	9,060,000	6,741,800	-	15,801,800	19,180,984	1.21	
6/30/38	9,740,000	6,365,800	-	16,105,800	19,564,603	1.21	
6/30/39	10,270,000	5,965,600	-	16,235,600	19,955,896	1.23	
6/30/40	10,680,000	5,546,600	-	16,226,600	20,355,013	1.25	
6/30/41	11,105,000	5,110,900	-	16,215,900	20,762,114	1.28	
6/30/42	11,550,000	4,657,800	-	16,207,800	21,177,356	1.31	
6/30/43	12,010,000	4,186,600	-	16,196,600	21,600,903	1.33	
6/30/44	12,490,000	3,696,600	-	16,186,600	22,032,921	1.36	
6/30/45	12,990,000	3,187,000	-	16,177,000	22,473,580	1.39	
6/30/46	13,510,000	2,657,000	-	16,167,000	22,923,051	1.42	
6/30/47	14,050,000	2,105,800	-	16,155,800	23,381,512	1.45	
6/30/48	14,615,000	1,532,500	-	16,147,500	23,849,142	1.48	
6/30/49	15,200,000	936,200	-	16,136,200	24,326,125	1.51	
6/30/50	15,805,000	316,100	-	16,121,100	24,812,648	1.54	

* Pro Forma Net Revenues represent the increase in Net Revenues generated by the project.



To: Mr. Keith McCook
Mr. Delbert Singleton

From: Craig Parks, Director of Public Affairs and Advocacy
University of South Carolina

Date: September 20, 2019

Re: USC System – PIP Project for Consideration – SFAA October 15, 2019

Cc: Mr. Grant Gillespie

USC respectfully requests your consideration to allow the University to proceed with two Phase 2 (construction phase) of its student housing development known as Campus Village. *Note: The Commission on Higher Education approved Phase 2 construction on 9/5/19.*

In addition to our formal state approval application previously submitted, supplemental documentation provided by others in support of this project, and in addition to the high-level summary included in this memorandum, please find attached:

- A slide deck containing a graphical overview of Campus Village including project background and development, cost and financing, transportation accommodations as well as conceptual renderings of each building planned.

Summary: USC Columbia: Campus Village (On-Campus Student Housing) – Phase 2

USC respectfully requests Phase 2 approval to begin the construction phase of “Stage 1” (future stages, if any, will require subsequent state approvals (including BOT, CHE, JBRC and SFAA)) of the University’s long planned (i.e. Housing Masterplans), strategically visioned and demonstrably necessary (see supply vs. demand below) housing project known as “Campus Village”. Campus Village responds responsibly to critical housing demands faced by the University and its students. Note: This Fall, USC Columbia welcomed 6,250 incoming freshmen to campus, against a supply of just 6,600 on-campus residence hall beds for all students (not including Greek Village and some space under master lease to the University). As further evidence of demand note that approximately **2,500** upperclassmen and transfer students are **currently on a waiting list** for on-campus housing. Specifically, this stage of Campus Village redevelops roughly 9 university owned acres in the south part of campus near Whaley Street. The project would abate, then demolish “Cliff Apartments” (circa 1974), eliminating costly deferred maintenance of that dated hall and utilizes that site, as well as large surface parking lots that surround Cliff and Bates (House and West), to construct 4 new mid-rise (5-6 stories each) residence halls that will produce a net increase of over 1,500 new beds for the University’s aforementioned undersupplied housing portfolio. Construction will utilize concrete and steel throughout so as to support a useful life of these new halls of approximately 60-80 years or more. These new halls (and the site) will create a thoughtful “living learning environment”. The first floor of each will include: secure lobbies, laundries, bike storage and important multi-purpose rooms for student and similar activities. Building 1 will exclusively provide “traditional pod”



UNIVERSITY OF
SOUTH CAROLINA

style dorm rooms with bathrooms located on each floor's central core. Buildings 2-4 provide dorm rooms with 4 beds each with a shared bathroom to be shared by up to 4 students in each room. Approximately 950 parking spaces will be relocated and/or replaced with low-rise parking that will accommodate approximately 175 spaces (primarily for staff and support personnel with short-term parking for student loading/unloading etc.). This new "transportation hub" is forward thinking in its design and will accommodate alternative forms of transport to include University shuttles, bikes, ride sharing, etc. Limited but strategic retail (to include a coffee shop and small grocery) will be included as will a traditional dining hall to accommodate the additional students that Campus Village will support. The estimated cost to construct Stage 1 of Campus Village is approximately \$210 Million (not including an estimated \$30 Million for capitalized interest and borrowing costs) and is to be funded, not by state appropriations or tuition dollars, but by traditional "housing revenue bonds" authorized pursuant to Title 59, Chapter 147 of the SC Code of Laws. Housing revenue bonds are backed exclusively by auxiliary (housing) revenue and not by the state or state taxpayers. The bond resolution stipulates that borrowing for Stage 1 shall not exceed \$240 Million and conservative University projections (verified by Wall Street) ensure that the bond coverage ratio will be at least 1.2 to 1. Campus Village's dorm pricing will compliment the University's current housing portfolio by containing several price points, all of which are projected to be approximately at or below private market rates. If final state approvals are received this Fall (2019), construction can be completed, and full occupancy can be achieved by Fall 2022.

Campus Village

Project Overview & Stage I Details



September 2019

2019 HOUSING MARKET ANALYSIS

COLUMBIA CAMPUS

- ◆ **6,607** University Owned Residence Hall Capacity
 - **6,250** freshmen arrived for Fall 2019
 - USC is currently leasing additional off-campus capacity
 - **2,400** on wait list after total placements (University owned and leased) at the end of the initial Fall 2019 signup
- ◆ **99.2%** Average Total Occupancy 2012-2018
- ◆ Campus Village Stage I
 - 263 – Existing Beds in Cliff
 - 1,802 – New Beds Planned in Buildings 1-4
 - **1,539 – Minimum Net New On-Campus Beds in Stage I**

GENERAL HOUSING DATA

COLUMBIA CAMPUS

- First-year students at UofSC who lived on campus during fall 2017 were **retained** to fall 2018 at a higher percentage (88.45%) than those who did not live on campus (81.74%).
- First year students at UofSC who lived on campus during fall 2017 reported a **higher GPA** through the end of fall 2018 (3.30) than those who did not live on campus (3.11).
- Based on a recent study of UofSC alumni and their career outcomes, students who lived on campus for 2-3 years had a post-graduate **gainful employment** score 6% higher than those who only lived on campus for one year.

Existing Site Conditions On Stages I, II & III

Cliff Apartments (Stage I)

- Constructed 1974
- 9 Floors
- 108,249 gross sq. ft.
- 263 beds

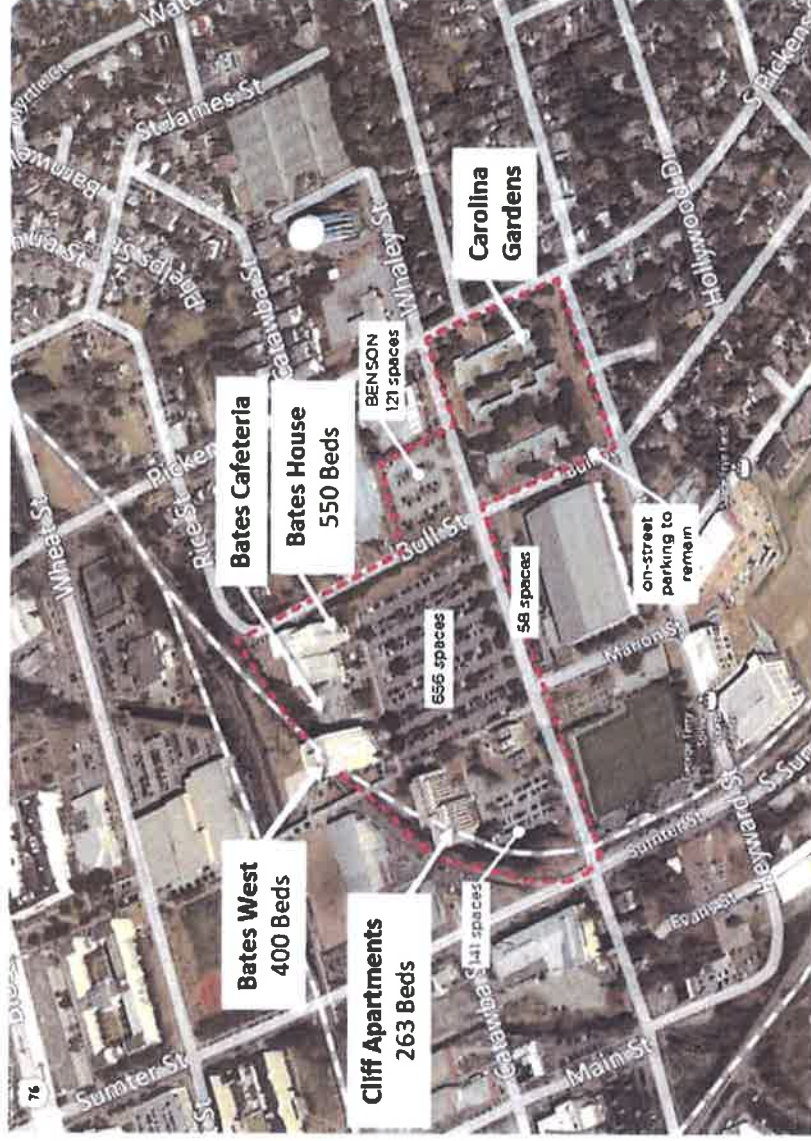
Bates West Tower (Stage II)

- Constructed 1974
- 14 Floors
- 118,074 gross sq. ft.
- 400 beds (apartments)

Bates Cafeteria (Stage II)

- Constructed 1969
- 1 Floor
- 21,980 gross sq. ft.

PROJECT SCOPE CAMPUS VILLAGE PROJECT OVERVIEW



Existing Site Conditions On Stages I, II & III

Bates House (Stage II)

- Constructed 1969
- 10 Floors
- 131,186 gross sq. ft.
- 550 beds (traditional)

Carolina Gardens (Stage III)

- Constructed 1947
- 2-3 Floors
- 76,606 gross sq. ft.
- 148 beds (apartments)

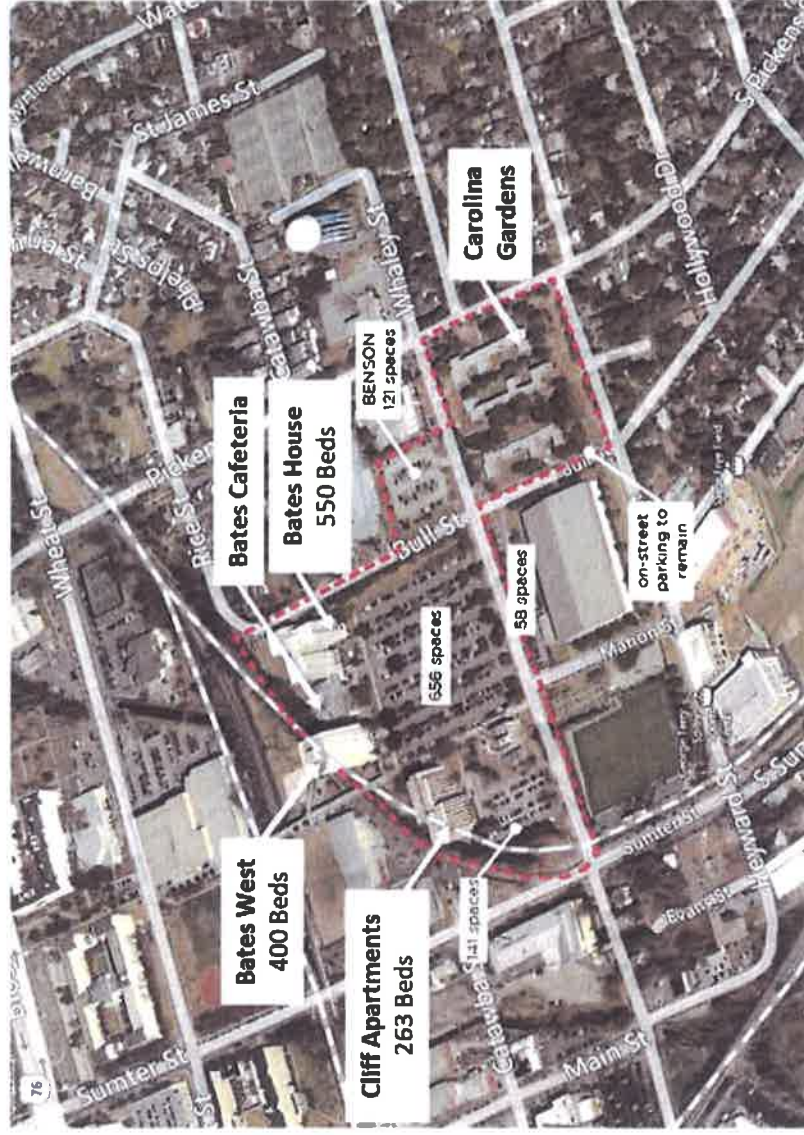
Existing Surface Parking

- 948 spaces for residents and commuters

Anticipated Cost for Renovation Stages 1-3 (2017 Data + 5%)

- \$173,700,000

PROJECT SCOPE CAMPUS VILLAGE PROJECT OVERVIEW



PROJECT BACKGROUND AND HISTORY

CAMPUS VILLAGE PROJECT OVERVIEW

The 2011 University Housing Master Plan has a goal of housing no less than 30% of undergraduates on campus. To help accomplish that goal through Campus Village, we originally proposed a tax-exempt 501c3 model. We also explored an equity model that would reduce risk (and revenue) to the University. As that model matured in development, it became obvious it was too costly to the University. In late March of 2019 we determined that university housing revenue bonds were the most efficient and effective approach to Campus Village Stage I funding.

Risk Transfer	Development Risk Cost	State Financing	Tax Exempt Bonds	Greystar Equity
	Schedule Risk	USC	Greystar	Greystar
	Interest Rate Risk	USC	Greystar	Greystar
	O&M Risk	USC	USC/Project	Greystar
	Real Estate Taxes	USC	USC/Project	Greystar
		N/A	N/A	USC (\$4.5M)

GREYSTAR PURCHASE OF EDR

CAMPUS VILLAGE PROJECT OVERVIEW

- In September 2018 Charleston-based Greystar, led by former SC Secretary of Commerce Bob Faith, purchased Education Realty Trust (EdR) in a \$4.6B acquisition.
- Greystar is a leading, fully integrated multifamily real estate company offering expertise in investment management, development and property management of rental housing properties globally. Greystar operates in over 150 markets globally and is the largest operator of apartments in the United States, managing over 480,000 units/beds, with an aggregate estimated value of over \$80 billion. Greystar also manages capital on behalf of a global network of institutional investors with approximately \$31 billion in gross assets. In acquiring EdR, Greystar became the 2nd largest institutional owner and manager of student housing in the United States.

CAMPUS VILLAGE

STAGE I OVERVIEW

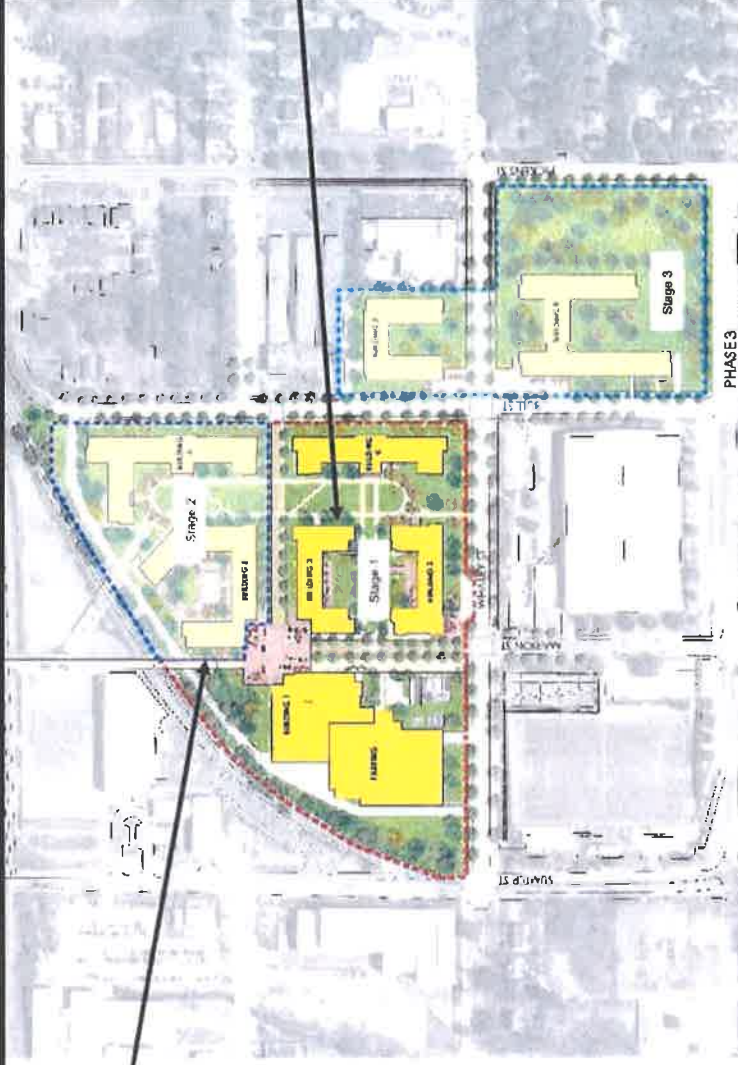


View of Campus Village near elevated Promenade at Dining and Plaza

University of South Carolina

Campus Village Residential Development

South Marion Street
Promenade



Overall Site Plan

Stage 1 - Four Residential
Buildings and a
Transportation Hub

Project Overview:

The development has been conceived as a multi-stage project. The first stage will construct four buildings and a low-rise transportation hub. Buildings are organized around the South Marion Street promenade and they create landscaped green spaces and courtyards in accordance with University Design Guidelines.

Campus Village Residential Development



First Stage Site Plan
Bates House and Bates West

Campus Village south entrance and shuttle access

Grand entry plaza with adjacent dining facility in Building 1

Transportation Hub

Project Overview:

The four residential buildings will provide a minimum of 1800 beds. The 5-6 story buildings provide public functions including a secure lobby, laundry, bike storage and multi-purpose rooms on the ground level. Student residences occur on the upper levels with distributed study rooms, lounges, kitchens, and Resident Life Coordinator suites.

Campus Village Residential Development



View of elevated walk entering the Village from the north (campus side)

Sloped roofs that conceal roof-mounted equipment.

Beige cast stone masonry creates a base, and articulated banding, and also accentuates the entrances.



The exterior architecture of Campus Village has been developed in compliance with the University's Design Guidelines which promote humanely-scaled massing with vertically proportioned windows inspired by the historic campus architecture. The primary exterior material is red brick masonry with beige architectural cast stone masonry accents.

Project Overview:



Campus Village Residential Development



View from Whaley
Street entering the
Village from the
south (Athletics
Village side)



The university's iconic brick and cast stone pillars will accentuate Campus Village entrance points at each end of the South Marion Street promenade. A coffee shop occurs at the south entrance to bring life to the promenade with exterior seating in a plaza.

**Project
Overview:**

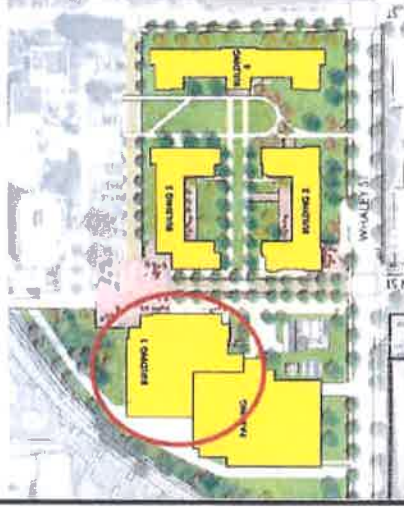


Campus Village Residential Development



Ground Level Floor Plan

Building One



Project Overview:

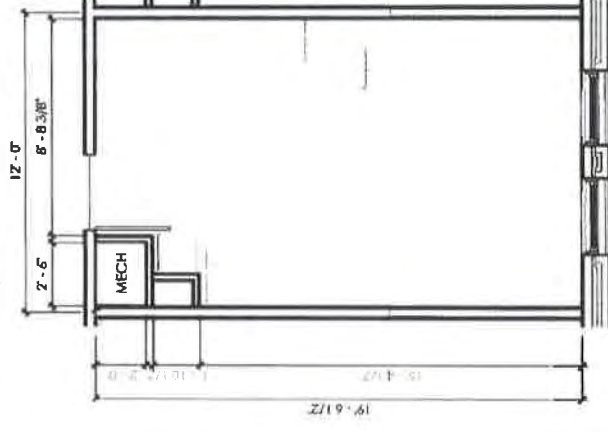
Building One, ground level, contains a large dining facility of approximately 26,200 square feet with direct access from a main plaza along the South Marion Street promenade. A small campus police sub-station also occurs at the ground level.

Campus Village Residential Development



Typical Residence
Level Plan

Building One

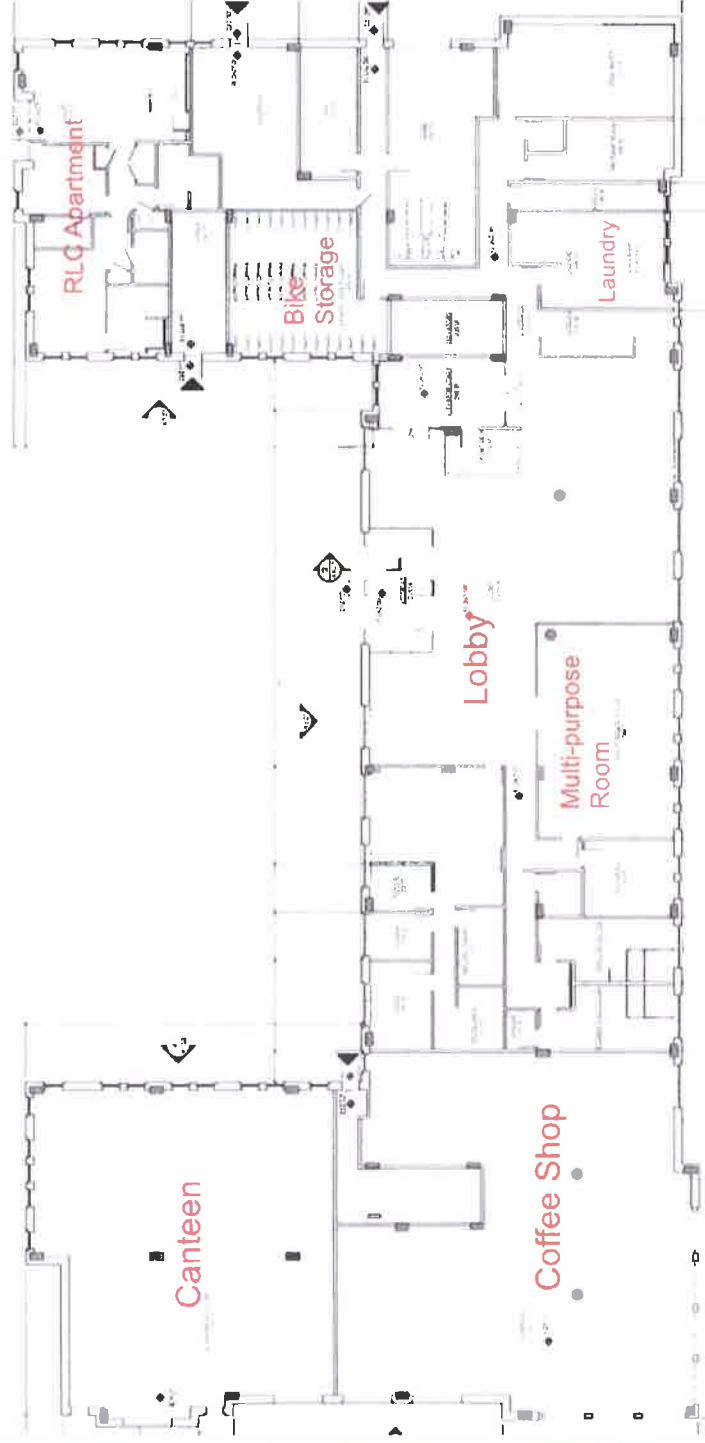


Typical Pod Bedroom

Project Overview:

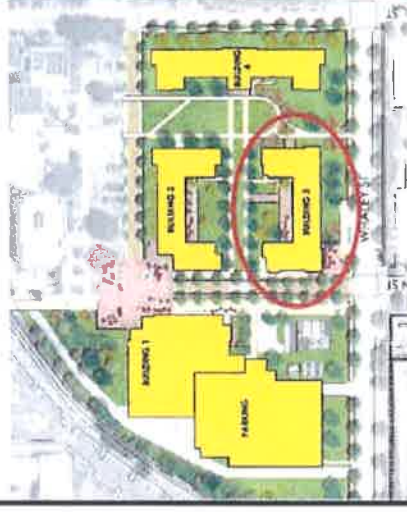
Building One is a six-story building with an additional partial basement level containing approximately 156,700 gross square feet. The building provides approximately 412 beds configured in a "traditional pod" style in which bathrooms are located in a community core. Bedrooms are typically 253 square feet and each provides two beds.

Campus Village Residential Development



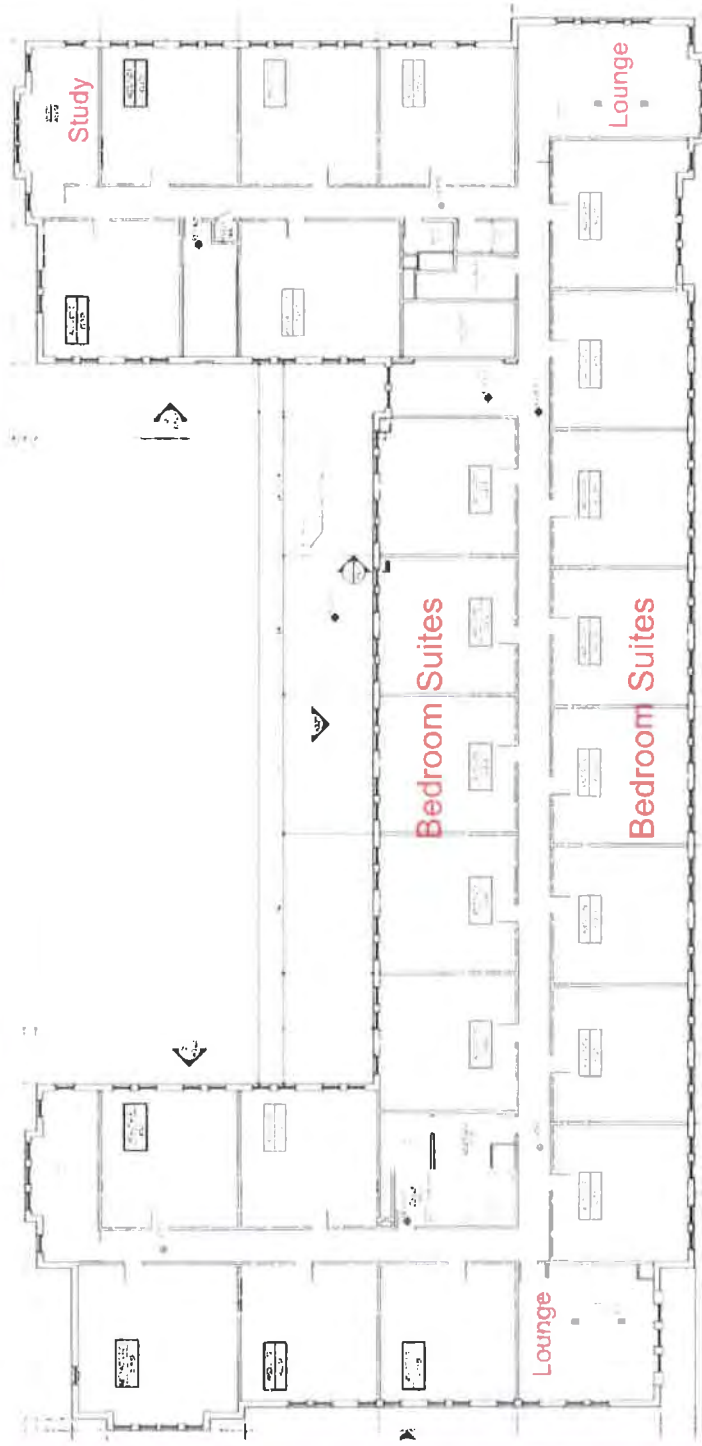
Building Two

Ground Level Floor Plan

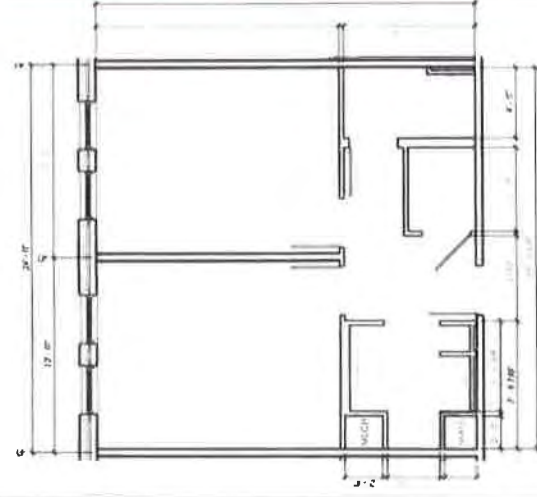


Project Overview: Building Two is a six-story building containing approximately 113,500 gross square feet. The ground level will provide approximately 3560 square feet for a coffee shop and approximately 2960 square feet for a canteen store for purchasing groceries and other staples.

Campus Village Residential Development



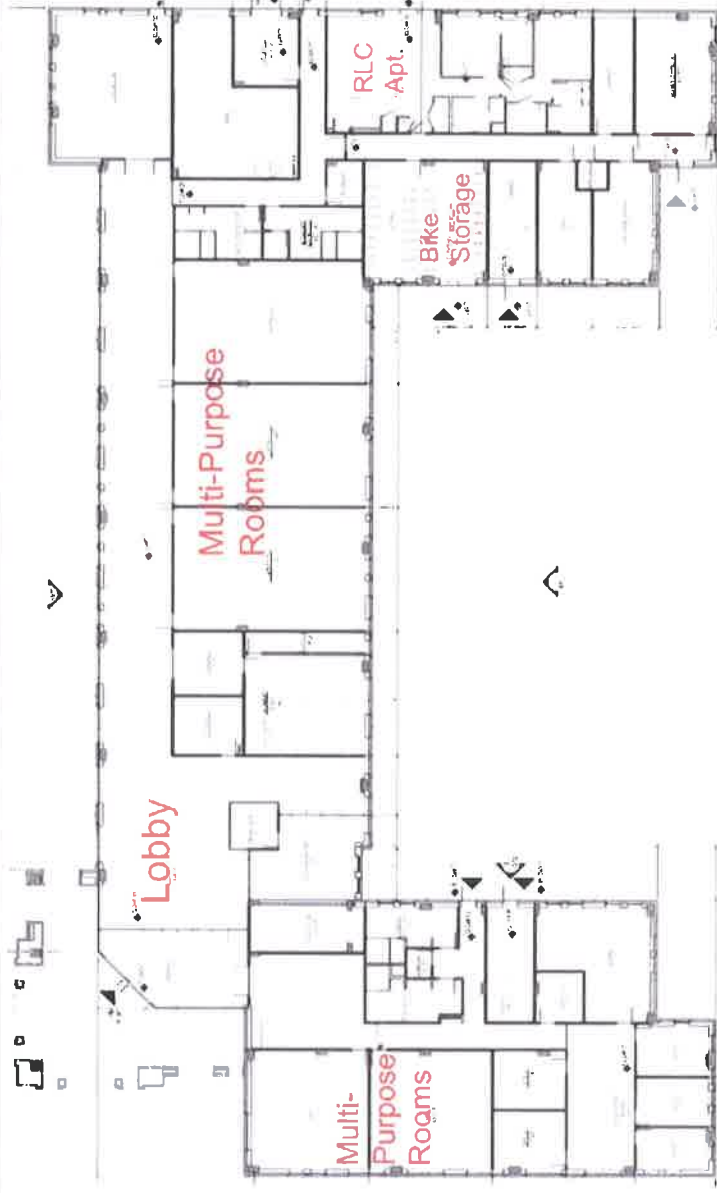
Building Two
Typical Residence Level Plan



Typical Two-Bedroom Suite

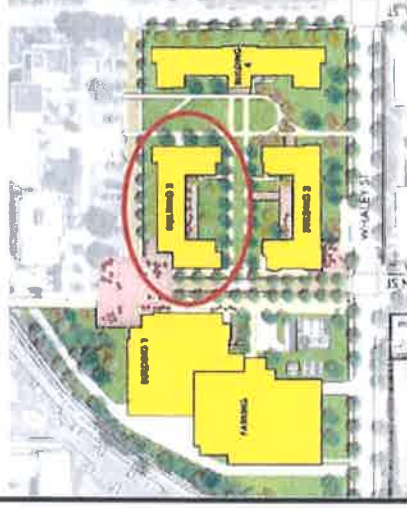
Project Overview: The building provides approximately 436 beds configured in a "suite" style in which two bedrooms share a bathroom core with a toilet, a shower and two sinks. Suites are typically 600 square feet and each bedroom will accommodate two beds.

Campus Village Residential Development



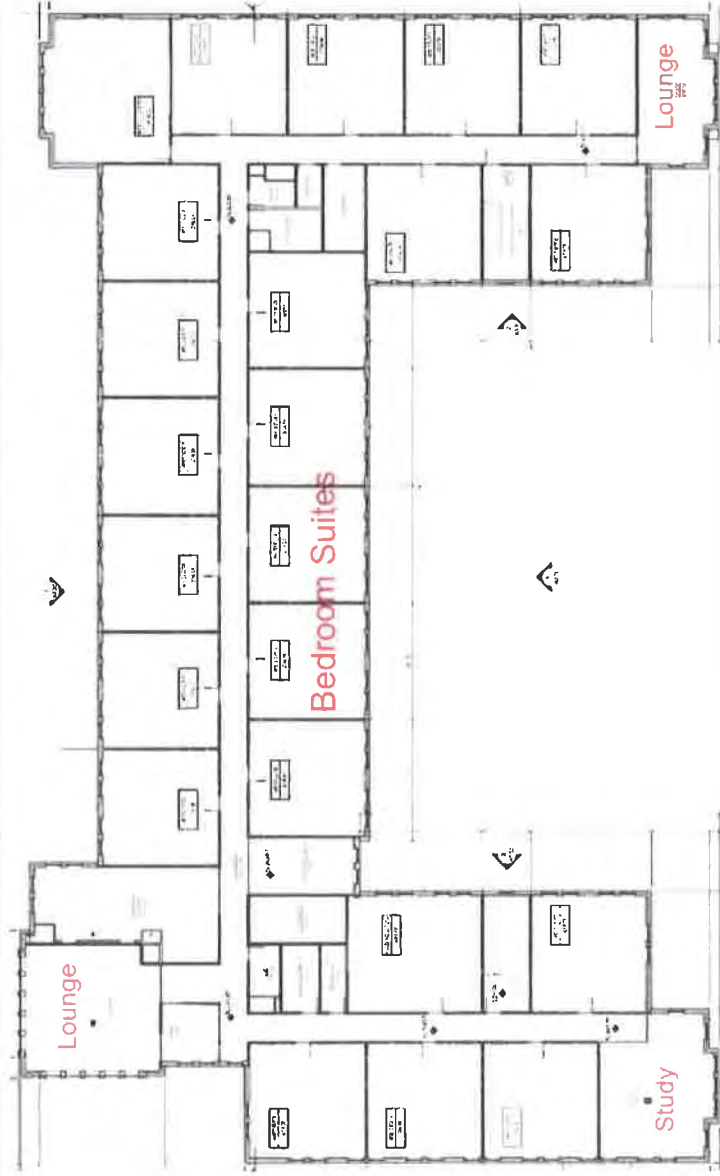
Building Three

Ground Level Floor Plan

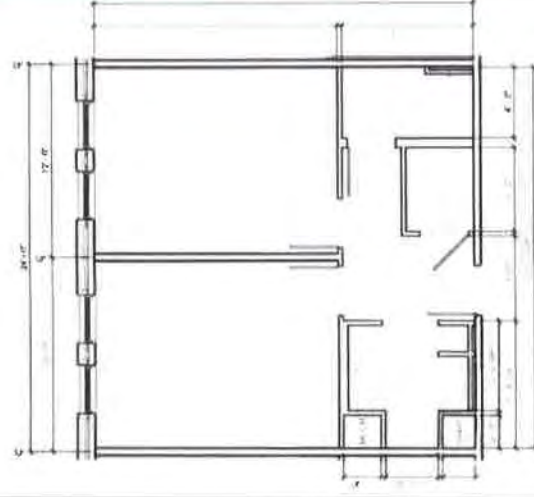


Project Overview: A six-story building containing approximately 123,800 gross square feet. The ground level will provide an apartment for a Residence Life Coordinator and six multi-purpose rooms for community-oriented activities.

Campus Village Residential Development



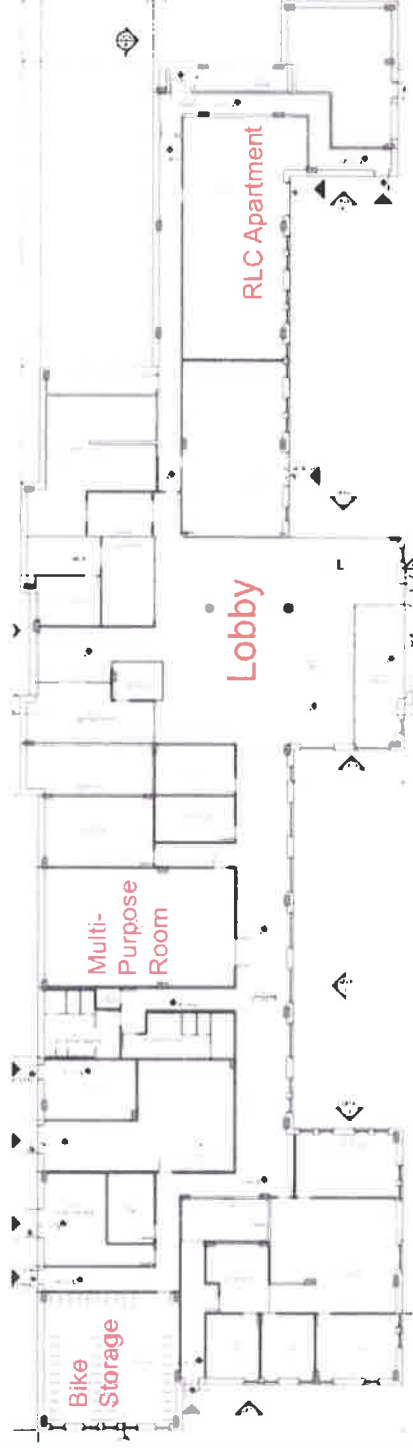
Building Three
Typical Residence Level Plan



Typical Two-Bedroom Suite

Project Overview: The building provides approximately 460 beds configured in a "suite" style in which two bedrooms share a bathroom core with a toilet, a shower and two sinks. Suites are typically 600 square feet and each bedroom will accommodate two beds.

Campus Village Residential Development



Building Four

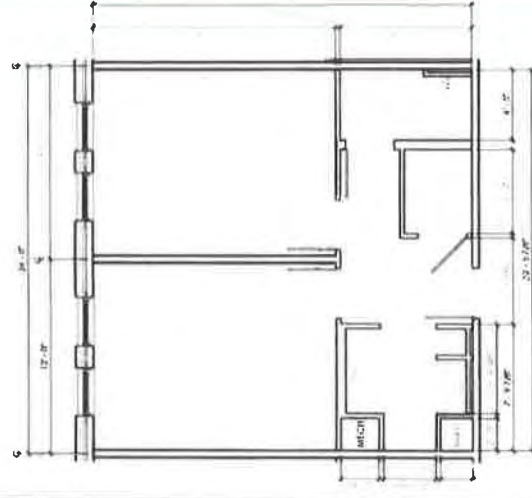
Ground Level Floor Plan



Project Overview: A six-story building containing approximately 131,900 gross square feet. The ground level will provide a multi-purpose room, bike storage and a Resident Life Coordinator Apartment.

Campus Village Residential Development

Building Four



Typical Two-Bedroom Suite



Typical Residence Level Plan

Project Overview:

The building provides approximately 500 beds configured in a "suite" style in which two bedrooms share a bathroom core with a toilet, a shower and two sinks. Suites are typically 600 square feet and each bedroom will accommodate two beds.

PARKING AND TRANSPORTATION

CAMPUS VILLAGE PROJECT OVERVIEW

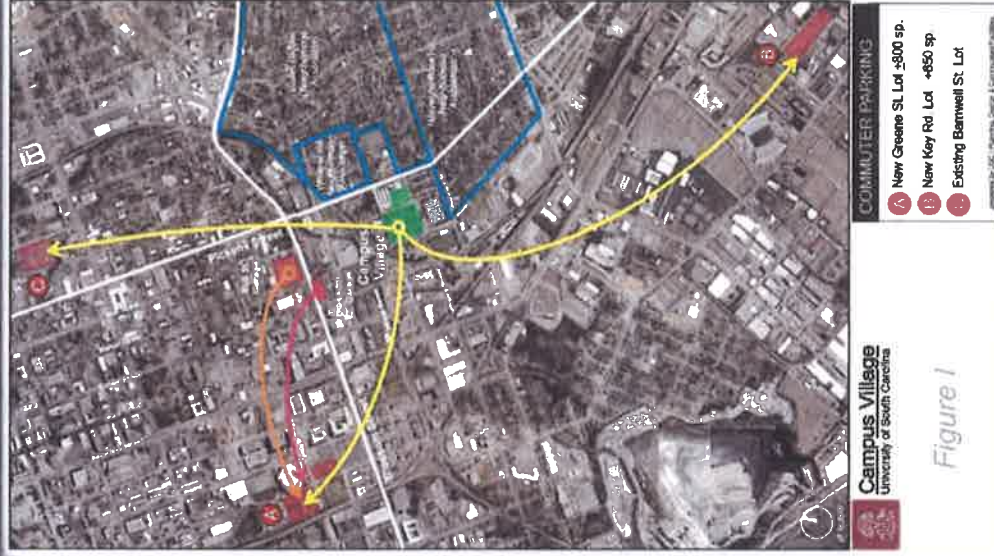
The University is committed to reducing the potential negative impacts of both vehicle and pedestrian traffic in the neighborhoods adjacent to the Campus Village project. That commitment, along with a student culture that is less reliant on personal vehicles, has evolved to the following:

- ◆ Removal of the originally-designed 6-story Parking Garage
- ◆ Addition of a Transportation Hub to include:
 - ◆ Covered Shuttle Bus pickup and drop-off
 - ◆ Rental car access
 - ◆ Scooter charging station
 - ◆ Time-limited parking
- ◆ Realigning existing on-campus residential parking (Blossom and Bull garages)
- ◆ Improving campus perimeter parking (commuter)
- ◆ Improving campus shuttle system

PARKING AND TRANSPORTATION CAMPUS VILLAGE PROJECT OVERVIEW

Campus Village Parking Realignment:

- ◆ Increase commuter options along the northern, western and southern periphery of campus moving vehicles away from adjacent neighborhoods aligning with existing traffic flow. (Fig. I)
- ◆ Remove commuter parking from garages internal to campus to provide sufficient space for Campus Village and other on-campus residents. (Fig. II)
- ◆ Improving campus shuttle system to effectively move both commuters and residents through campus.



CAMPUS VILLAGE COMPARISON TO DOUTHIT HILLS

CAMPUS VILLAGE STAGE I

Side-by-Side Comparison

CU Douthit Hills & USC Campus Village

Item	Douthit Hills	CV Stage 1
Project Cost	\$212,652,000	\$210,000,000
Total Square Footage	650,000	636,090
Number of Buildings	7	4
Number of Beds	1,666	1,808
Total Project Cost Per Bed	\$127,642	\$116,150
Project Finance	Housing Revenue Bonds	Housing Revenue Bonds



UNIVERSITY OF

South Carolina

PROJECT COST DRAFT

CAMPUS VILLAGE STAGE I

Project Budget Summary - Form A-1

	Total	Per Bed
Professional Service Fees	\$17,526,923	\$9,694
Equipment and/or Materials	\$16,040,000	\$8,872
Site Development	\$9,681,415	\$5,355
New Construction	\$130,165,144	\$71,994
Other Permanent Improvements	\$14,900,000	\$8,241
Landscaping	\$776,903	\$430
Builders Risk Insurance	\$405,000	\$224
Other Capital Outlay	\$1,480,000	\$819
Other (Env. Hazards)	\$2,091,663	\$1,157
Contingency	\$16,932,952	\$9,366
Total Project Budget	\$210,000,000	\$116,150



UNIVERSITY OF
South Carolina

BARCLAYS ANALYSIS DRAFT DETAIL

CAMPUS VILLAGE STAGE I

FYE	Principal	Interest	Debt Service	Capitalized Interest	Net Debt Service	Pro-Forma NOI	Revenue for Dining	Total NOI	DSCR	NOI in Excess of Net DS	Cash Flow in Excess of 1.2x DSCR
6/30/2021	-	12,736,641	12,736,641	12,736,641	-	-	-	-	-	-	-
6/30/2022	-	11,756,899	11,756,899	11,756,899	-	-	-	-	-	-	-
6/30/2023	1,865,000	11,756,899	13,621,899	2,939,225	10,682,674	13,148,736	3,200,000	16,348,736	1.53	5,666,062	3,529,527
6/30/2024	2,275,000	11,690,319	13,965,319	-	13,965,319	13,562,577	3,200,000	16,762,577	1.20	2,797,259	4,195
6/30/2025	2,715,000	11,607,964	14,322,964	-	14,322,964	13,989,317	3,200,000	17,189,317	1.20	2,866,354	1,761
6/30/2026	3,190,000	11,506,966	14,686,966	-	14,686,966	14,429,356	3,200,000	17,629,356	1.20	2,942,391	4,997
6/30/2027	3,680,000	11,385,172	15,065,172	-	15,065,172	14,883,105	3,200,000	18,083,105	1.20	3,017,934	4,899
6/30/2028	4,215,000	11,240,548	15,455,548	-	15,455,548	15,350,988	3,200,000	18,550,988	1.20	3,095,441	4,331
6/30/2029	4,790,000	11,069,840	15,859,840	-	15,859,840	15,833,443	3,200,000	19,033,443	1.20	3,173,603	1,635
6/30/2030	5,410,000	10,864,000	16,274,000	-	16,274,000	16,330,919	3,200,000	19,530,919	1.20	3,256,919	2,119
6/30/2031	6,105,000	10,593,500	16,698,500	-	16,698,500	16,843,881	3,200,000	20,043,881	1.20	3,345,381	5,681
6/30/2032	6,855,000	10,288,250	17,143,250	-	17,143,250	17,372,808	3,200,000	20,572,808	1.20	3,429,558	908
6/30/2033	4,820,000	9,945,500	14,765,500	-	14,765,500	17,720,264	-	20,572,264	1.20	2,954,764	1,664
6/30/2034	5,355,000	9,704,500	15,059,500	-	15,059,500	18,074,669	-	20,572,669	1.20	3,015,169	3,269
6/30/2035	5,925,000	9,436,750	15,361,750	-	15,361,750	18,436,163	-	20,572,163	1.20	3,074,413	2,063
6/30/2036	6,530,000	9,140,500	15,670,500	-	15,670,500	18,804,886	-	20,572,886	1.20	3,134,386	286
6/30/2037	7,170,000	8,814,000	15,984,000	-	15,984,000	19,180,984	-	20,573,984	1.20	3,196,984	184
6/30/2038	7,845,000	8,455,500	16,300,500	-	16,300,500	19,564,603	-	20,574,603	1.20	3,264,103	4,003
6/30/2039	8,565,000	8,063,250	16,628,250	-	16,628,250	19,955,896	-	20,575,896	1.20	3,327,646	1,996
6/30/2040	9,325,000	7,635,000	16,960,000	-	16,960,000	20,355,013	-	20,576,013	1.20	3,395,013	3,013
6/30/2041	10,130,000	7,188,750	17,298,750	-	17,298,750	20,762,114	-	20,577,114	1.20	3,463,364	3,614
6/30/2042	10,985,000	6,662,250	17,647,250	-	17,647,250	21,177,356	-	21,177,356	1.20	3,530,106	656
6/30/2043	11,885,000	6,113,000	17,998,000	-	17,998,000	21,600,903	-	21,600,903	1.20	3,602,903	3,303
6/30/2044	12,840,000	5,518,750	18,358,750	-	18,358,750	22,032,921	-	22,032,921	1.20	3,674,171	2,421
6/30/2045	13,850,000	4,876,750	18,726,750	-	18,726,750	22,473,580	-	22,473,580	1.20	3,746,830	1,480
6/30/2046	14,915,000	4,184,250	19,099,250	-	19,099,250	22,923,051	-	22,923,051	1.20	3,823,801	3,951
6/30/2047	15,955,000	3,438,500	19,393,500	-	19,393,500	23,381,512	-	23,381,512	1.21	3,988,012	109,312
6/30/2048	16,755,000	2,640,750	19,395,750	-	19,395,750	23,849,142	-	23,849,142	1.23	4,453,392	574,242
6/30/2049	17,590,000	1,803,000	19,393,000	-	19,393,000	24,326,125	-	24,326,125	1.25	4,933,125	1,054,525
6/30/2050	18,470,000	923,500	19,393,500	-	19,393,500	24,812,648	-	24,812,648	1.28	5,419,148	1,540,448
Total	240,000,000	251,021,495	491,021,495	27,432,764	463,588,731	-	-	-	-	-	-

A RESOLUTION

APPROVING THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF HIGHER EDUCATION REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$240,000,000; AUTHORIZING THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE BONDS; AND OTHER MATTERS RELATING THERETO.

As an incident to the adoption of this resolution (this "Resolution"), the South Carolina State Fiscal Accountability Authority (the "Authority") recites the following:

WHEREAS, the Board of Trustees of the University of South Carolina (the "Board of Trustees"), the governing body of the University of South Carolina (the "University"), is authorized by Chapter 147 of Title 59 of the Code of Laws of South Carolina 1976, as amended (the "Enabling Act") to make provision for the issuance of revenue bonds of the University ("Higher Education Revenue Bonds") from time to time in order to raise funds to defray the cost of financing or refinancing in whole or in part the cost of acquisition, construction, reconstruction, renovation and improvement of land, buildings, and other improvements to real property and equipment for the purpose of providing facilities serving the needs of the University, including, but not limited to, (1) dormitories, apartment buildings, dwelling houses, bookstores and other University operated stores, laundries, dining halls, cafeterias, parking facilities, student recreational, entertainment and fitness related facilities, inns, conference and other nondegree educational facilities and similar auxiliary facilities of the University and any other facilities which are auxiliary to any of the foregoing excluding, however, athletic department projects which primarily serve varsity athletic teams of the University; and (2) those academic facilities as may be authorized by joint resolution of the General Assembly, all in accordance with and pursuant to the provisions of the Enabling Act.

WHEREAS, on June 21, 1996, the Board of Trustees adopted a resolution entitled "AN AMENDATORY AND RESTATED RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF UNIVERSITY OF SOUTH CAROLINA REVENUE BONDS AND OTHER MATTERS RELATING THERETO" (the "Bond Resolution"), as a means of providing for the issuance from time to time of Higher Education Revenue Bonds of a particular series pursuant to the provisions of a Series Resolution of the Board of Trustees, provided all conditions required by the Bond Resolution are met. Such Higher Education Revenue Bonds are payable solely from the Net Revenues and Additional Funds.

WHEREAS, on June 21, 2019, the Board of Trustees adopted a Series Resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF HIGHER EDUCATION REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$240,000,000; AUTHORIZING THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE BONDS; AND OTHER MATTERS RELATING THERETO" (the "2019 Series Resolution") authorizing the issuance of Higher Education Revenue Bonds, Series 2019 (the "Series 2019 Bonds") for the purpose of providing funds to acquire, construct, improve and equip a project commonly known as the "Campus Village" project, which includes student housing facilities, anticipated to provide not less than 1,800 student housing beds subject to configuration, programing, and layout considerations, on the Columbia, South Carolina campus of the University, as well as on-site and off-site dining, on-site and off-site parking and transportation, on-site and off-site recreation and fitness, retail, and other auxiliary facilities and infrastructure related thereto, in one or more structures (the "Project").

WHEREAS, the 2019 Series Resolution authorizes the use of proceeds of the Series 2019 Bonds to: (i) reimburse the University for capital expenditures previously made in connection with, and to pay the costs of, the Project; (ii) pay capitalized interest on the Series 2019 Bonds, if any; (iii) provide for the Series 2019 Reserve Requirement, if any; (iv) pay the cost of issuance of the Series 2019 Bonds; and (v) provide for credit enhancement with respect to Series 2019 Bonds, if any.

WHEREAS, the 2019 Series Resolution also authorizes the issuance of notes (the "Series 2019 Notes") pursuant to Title 11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended (the "Note Enabling Act") in anticipation of the issuance of the Series 2019 Bonds for the purpose for which the Series 2019 Bonds may be issued, and further authorizes the renewal or refunding of Series 2019 Notes until such time as officials of the University and the State Treasurer determine to issue the Series 2019 Bonds. The proceeds of any Series 2019 Notes issued pursuant to the 2019 Series Resolution shall be applied for the purpose for which proceeds of the Series 2019 Bonds may be applied, to provide for the renewal or refunding of any Series 2019 Notes, or to provide for the costs of issuance thereof, or any combination thereof. Article IX of the 2019 Series Resolution provides that the Chief Financial Officer and the State Treasurer must determine that the issuance of Series 2019 Notes, including any refunding or renewal Series 2019 Notes, is in the best interest of the University prior to the issuance of Series 2019 Notes.

WHEREAS, the Board of Trustees has determined that a current need exists for the Project, and the University has requested the Authority to approve at this time the issuance by the University of the Series 2019 Bonds, and the Series 2019 Notes, and other matters related thereto, all as set forth in the 2019 Series Resolution.

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

ARTICLE I

FINDINGS OF FACT

Section 1.01

The Bond Resolution and the 2019 Series Resolution, each in the form adopted by the Board of Trustees, have been presented to the Authority.

Section 1.02

Any capitalized term used in this Resolution, but not defined herein, shall have the meaning ascribed to such term in the Bond Resolution or the 2019 Series Resolution.

ARTICLE II

AUTHORIZATION TO ISSUE AND SELL

THE SERIES 2019 BONDS AND THE SERIES 2019 NOTES

Section 2.01

The Authority hereby approves and authorizes the issuance and sale of the Series 2019 Bonds in an aggregate principal amount not to exceed \$240,000,000 at public or private sale in accordance with and subject to the terms of the 2019 Series Resolution, including a negotiated sale for public reoffering as authorized in Article III and Article VII thereof.

Section 2.02

The Authority hereby approves and authorizes the issuance and sale of the Series 2019 Notes in an aggregate principal amount not to exceed \$240,000,000 at public or private sale in accordance with and subject to the terms of the 2019 Series Resolution, including a negotiated sale for public reoffering as authorized in Article IX thereof, should the Chief Financial Officer and the State Treasurer determine that it would be in the best interest of the University to issue Series 2019 Notes in anticipation of the Series 2019 Bonds. This approval to issue and sell Series 2019 Notes includes the approval to issue refunding or renewal Series 2019 Notes without further action of the Authority, as described at Section 11-17-60 of the Note Enabling Act.

Section 2.03

On the basis of the foregoing and after due consideration of the facts above recited and other matters appurtenant thereto, this Resolution has been adopted.

Dated: October 15, 2019.



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 10/15/19

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: H27 Issuer: University of South Carolina Series: 2019A
Borrower (if not Issuer): _____
Bond Caption: Higher Education Revenue Bonds - 2019A
Bond Resolution Amount: \$240,000,000.00 Est. Production/Par Amt: \$203,140,000.00

(* Used to calculate initial COI percentages; STO bond issues must use Par Amt *)

Final Production/Par Amt: \$0.00

Submitted By:

ENTITY: University of South Carolina
BY: Charles D. FitzSimons
ITS: Director of Capital Budgets & Finance
Tel: 803-777-1476
Email: fitzsimo@mailbox.sc.edu

Transaction Type/Method of Sale:

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

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): YesMSRB (EMMA) Continuing Disclosure Responsible Party: University of South Carolina

2. FINANCING (NEW PORTION)

Project #: H27-6133 Project Name: Campus Village
Project Address/Location: USC Columbia Campus - Whaley St. Amount: \$210,000,000.00
Project Type: New Construction - Student Residential County: Richland
Projected Avg Interest Rate: 5% Coupons (All-In-TIC rate of 3.64%) Final Maturity: 01/01/39

3. FINANCING (REFUNDED PORTION)

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

4. FINANCING WORKING GROUP

Financial Advisor:	<u>PFM</u>	Disclosure Counsel:	<u>Howell, Linkhouse, & Nettles</u>
Bond Counsel:	<u>Pope Flynn, PA</u>	Issuer's Counsel:	<u>USC General Counsel</u>
Underwriter:	<u>Barclays</u>	Trustee:	<u>Office of State Treasurer</u>
Paying Agent:	<u>US Bank</u>	Other:	

5. FINANCING/PROJECT DESCRIPTION

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

**** Please see attached narrative. ****

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	<u>06/19/19</u>	<u>Board of Trustees</u>
JBRC Approval:	<u>10/02/19</u>	<u>Proposed</u>
SFAA Approval:	<u>10/15/19</u>	<u>Proposed</u>

Project Approvals - Phase II (Same Entities Only)		Notes:
Issuer/Borrower Approval:	<u>06/19/19</u>	<u>Board of Trustees</u>
JBRC Approval:	<u>10/02/19</u>	<u>Proposed</u>
SFAA Approval:	<u>10/15/19</u>	<u>Proposed</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?

☐	☒

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

Sq. Footage -	
Cost Estimate -	<u>\$0</u>

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

Bond Proceeds	FY1	Spend Down Schedule Notes
\$ 5,577,652.00	6/30/2020	Issuance Costs, Cap Int
\$ 73,464,505.00	6/30/2021	Pre-design, A&E, Demolition, Site Prep, Issuance Costs, Cap
\$ 58,916,733.00	6/30/2021	Construction Expenses, Capitalized Interest
\$ 47,185,291.00	6/30/2022	Construction Expenses, Capitalized Interest
\$ 53,005,224.00	6/30/2022	Construction Expenses, Capitalized Interest
	6/30/2023	
\$ 238,149,405.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 203,140,000.00	\$ 210,000,000.00	Project Fund
(b) Premium/Accr. Int.	\$ 35,009,405.00	\$ 26,602,423.00	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$	\$	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	\$	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 1,546,982.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)	\$	\$	Accrued Interest
Type -	\$	\$	Contingency
Residual Project Sources		\$	Other
(6) Other	\$	\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Sources	\$ 238,149,405.00	\$ 238,149,405.00	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	PFM			\$ 152,355.00	\$	\$ 152,355.00
Bond Counsel	Pope Flynn			\$ 203,140.00	\$	\$ 203,140.00
Disclosure Counsel	Howell Linkouse & Nettles			\$ 101,570.00	\$	\$ 101,570.00
Issuer's Counsel	USC General Counsel			\$	\$	\$
Underwriter's Counsel	Nexsen Pruet			\$ 50,785.00	\$	\$ 50,785.00
Transaction Counsel				\$	\$	\$
Legal Expenses				\$	\$	\$
				\$	\$	\$
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$ 110,000.00	\$	\$ 110,000.00
Rating Agency - Fitch				\$ 100,000.00	\$	\$ 100,000.00
Underwriter's Compensation				\$ 796,632.00	\$	\$ 796,632.00
Registrar / Paying Agent				\$ 7,500.00	\$	\$ 7,500.00
Escrow Agent				\$	\$	\$
Accountant				\$	\$	\$
Verification Agent				\$	\$	\$
Printing				\$ 5,000.00	\$	\$ 5,000.00
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$ 20,000.00	\$	\$ 20,000.00
Issuer's Fee	SC JEDA / SC SHFDA			\$	\$	\$
				\$ 1,546,982.00	\$	\$ 1,546,982.00

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

Financial Advisor: % of Transaction

Bond Counsel: % of Transaction

Total Legal Costs: % of Transaction

Rating Agencies: % of Transaction

0.08%	#DIV/0!
0.10%	#DIV/0!
0.18%	#DIV/0!
0.10%	#DIV/0!

UW Comp: % of Transaction

Other COI: % of Transaction

Total COI: % of Transaction

0.39%	#DIV/0!
0.02%	#DIV/0!
0.76%	#DIV/0!



South Carolina Office of State Treasurer

New Debt Information Form Attachment

*10.15.2019 – University of South Carolina – Campus Village Project –
Higher Education Revenue Bonds - \$240,000,000*

Supplemental Response to Section 5:

This financing/project request is for the redevelopment of nine acres of the University of South Carolina to include the demolition of the Cliff Apartments, and, the construction of five new structures to include 1,800 beds, shell space for a dining facility, a transportation hub, and other student support spaces.

The total project cost is anticipated to be \$210 million, with that estimate provided by the contractor. However, depending on bond market conditions, the University may issue these bonds prior to the beginning of the construction period, which will necessitate borrowing sufficient funds to provide for Capitalized Interest. That amount could approach \$30 million, thus the difference between the project cost and the resolution amount. We anticipate that market conditions will allow for a premium structure resulting in a much lower par issuance. However, in the event that market conditions do not support a premium structure, up to \$240 million of par bonds could be issued for the purposes of providing sufficient funds to provide for the project costs and capitalized interest.

The University, in conjunction with the State Treasurer's Office and the transaction working group (Financial Advisor, Underwriter, and Counsel) will explore all available options, including the use of Bond Anticipation Notes, to reduce the overall costs associated with this issuance, to include any capitalized interest and issuance costs.

Key Notes

The estimated schedule for this project is as follows:

- Spring of 2020 – Abatement and demolition of Cliff Apartments and site preparation
- Summer of 2020 – Begin construction
- Summer of 2022 – Complete construction
- Fall of 2022 – Occupancy of facilities

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services has audited the following agencies and recommends certification within the parameters described in the audit report for the following agencies for a period of three years.

- a. Department of Disabilities and Special Needs:** supplies and services¹, \$250,000* per commitment; information technology², \$100,000* per commitment; pharmaceutical drugs, \$1,000,000* per commitment; pharmaceutical services, \$1,000,000* per commitment; construction contract award, \$500,000 per commitment; construction contract change order, \$250,000 per change order; architect/engineer contract amendment, \$25,000 per amendment.

* Total potential purchase commitment whether single year or multi-term contracts are used.

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information technology includes consultant assistance for any aspect of information technology, systems and networks

The internal controls of the Department of Disabilities and Special Needs' procurement policies and procedures comply with the South Carolina Consolidated Procurement Code and ensuing regulations in all material respects. The Division recommends the State Fiscal Accountability Authority grant the Department of Disabilities and Special Needs' procurement certification at the limits noted above.

- b. Department of Education:** supplies and services¹, \$150,000* per commitment; information technology², \$100,000* per commitment; school bus supplies and services, \$400,000* per commitment.

* Total potential purchase commitment whether single year or multi-term contracts are used.

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information technology includes consultant assistance for any aspect of information technology, systems and networks

The internal controls of the Department of Education procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulation as described in the audit report. The Division recommends the State Fiscal Accountability Authority grant the Department of Education procurement certification at the limits noted above.

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

- c. Department of Mental Health:** supplies and services¹, \$500,000* per commitment; information technology², \$100,000* per commitment; construction contract award, \$150,000 per commitment; construction contract change order, \$150,000 per change order; architect/engineer contract amendment, \$25,000 per amendment.

* Total potential purchase commitment whether single year or multi-term contracts are used.

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information technology includes consultant assistance for any aspect of information technology, systems and networks

The internal controls of the SC Department of Mental Health's procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulation as described in the audit report. The Division recommends the State Fiscal Accountability Authority grant the SC Department of Mental Health procurement certification at the limits noted above.

- d. Spartanburg Community College:** supplies and services¹, \$225,000* per commitment; information technology², \$225,000* per commitment; construction contract award, \$250,000 per commitment; construction contract change order, \$50,000 per change order; architect/engineer contract amendment, \$10,000 per amendment.

* Total potential purchase commitment whether single year or multi-term contracts are used.

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information technology includes consultant assistance for any aspect of information technology, systems and networks

The internal controls of Spartanburg Community College's procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulation as described in the audit report. The Division recommends the State Fiscal Accountability Authority grant the Spartanburg Community College procurement certification at the limits noted above.

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

- e. **Vocational Rehabilitation Department:** supplies and services¹, \$250,000 per commitment; information technology², 100,000* per commitment; construction contract award, \$250,000 per commitment; construction contract change order, \$100,000 per change order; architect/engineer contract amendment, \$25,000 per amendment.

* Total potential purchase commitment whether single year or multi-term contracts are used.

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information technology includes consultant assistance for any aspect of information technology, systems and networks

The internal controls of the Vocational Rehabilitation Department procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulation as described in the audit report. The Division recommends the State Fiscal Accountability Authority grant SC Vocational Rehabilitation Department procurement certification at the limits noted above.

- f. **Wil Lou Gray Opportunity School:** In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division has conducted an examination of the procurement operating policies and procedures of the Wil Lou Gray Opportunity School to determine whether, in all material respects, the internal controls of the School's procurement system were adequate to ensure compliance with the Code and ensuring regulation.

DPS believes corrective action based on the recommendations made in the report will place the Wil Lou Gray Opportunity School in compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulations.

The Wil Lou Gray Opportunity School has not requested procurement certification. Therefore, the audit report is submitted as information only.

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

AUTHORITY ACTION REQUESTED:

Grant procurement certification, in accord with Section 11-35-1210, for the following agencies within the parameters described in the audit report for the following limits (total potential purchase commitment whether single-or multi- year contracts are used):

- a. Department of Disabilities and Special Needs:** supplies and services¹, \$250,000* per commitment; information technology², \$100,000* per commitment; pharmaceutical drugs, \$1,000,000* per commitment; pharmaceutical services, \$1,000,000* per commitment; construction contract award, \$500,000 per commitment; construction contract change order, \$250,000 per change order; architect/engineer contract amendment, \$25,000 per amendment.

* Total potential purchase commitment whether single year or multi-term contracts are used.

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information technology includes consultant assistance for any aspect of information technology, systems and networks

- b. Department of Education:** supplies and services¹, \$150,000* per commitment; information technology², \$100,000* per commitment; school bus supplies and services, \$400,000* per commitment.

* Total potential purchase commitment whether single year or multi-term contracts are used.

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information technology includes consultant assistance for any aspect of information technology, systems and networks

- c. Department of Mental Health:** supplies and services¹, \$500,000* per commitment; information technology², \$100,000* per commitment; construction contract award, \$150,000 per commitment; construction contract change order, \$150,000 per change order; architect/engineer contract amendment, \$25,000 per amendment.

* Total potential purchase commitment whether single year or multi-term contracts are used.

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information technology includes consultant assistance for any aspect of information technology, systems and networks

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

- d. Spartanburg Community College:** supplies and services¹, \$225,000* per commitment; information technology², \$225,000* per commitment; construction contract award, \$250,000 per commitment; construction contract change order, \$50,000 per change order; architect/engineer contract amendment, \$10,000 per amendment.

* Total potential purchase commitment whether single year or multi-term contracts are used.

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information technology includes consultant assistance for any aspect of information technology, systems and networks

- e. Vocational Rehabilitation Department:** supplies and services¹, \$250,000 per commitment; information technology², 100,000* per commitment; construction contract award, \$250,000 per commitment; construction contract change order, \$100,000 per change order; architect/engineer contract amendment, \$25,000 per amendment.

* Total potential purchase commitment whether single year or multi-term contracts are used.

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information technology includes consultant assistance for any aspect of information technology, systems and networks

- f. Wil Lou Gray Opportunity School:** In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division has conducted an examination of the procurement operating policies and procedures of the Wil Lou Gray Opportunity School to determine whether, in all material respects, the internal controls of the School's procurement system were adequate to ensure compliance with the Code and ensuring regulation.

DPS believes corrective action based on the recommendations made in the report will place the Wil Lou Gray Opportunity School in compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulations.

The Wil Lou Gray Opportunity School has not requested procurement certification. Therefore, the audit report is submitted as information only.

ATTACHMENTS:

Agenda item worksheets and attachments

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting scheduled for: October 15, 2019

Green Agenda

1. Submitted by:

- (a) Agency: Division of Procurement Services
(b) Authorized Official Signature:


John St. C. White, Materials Management Officer

2. Subject: Procurement Certification for the South Carolina Department of Disabilities and Special Needs

3. Summary Background Information:

In accordance with S.C. Code Ann. §11-35-1210, the Division of Procurement Services has conducted an examination of the procurement operating policies and procedures of the South Carolina Department of Disabilities and Special Needs to determine whether the internal controls of the Department's procurement system were adequate to ensure compliance, in all material respects, with the S.C. Consolidated Procurement Code and ensuing regulations.

	<u>Current Certification</u>	<u>Recommended Certification</u>
I. Supplies and Services ¹	*\$ 250,000 Per Commitment	*\$ 250,000 Per Commitment
II. Information Technology ²	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
III. Consultant Services	*\$ 250,000 Per Commitment	\$ -- Per Commitment
IV. Pharmaceutical Drugs	*\$ 1,000,000 Per Commitment	*\$ 1,000,000 Per Commitment
V. Pharmaceutical Services	*\$ 1,000,000 Per Commitment	*\$ 1,000,000 Per Commitment
VI. Construction Contract Award	\$ 500,000 Per Commitment	\$ 500,000 Per Commitment
VII. Construction Contract Change Order	\$ 250,000 Per Change Order	\$ 250,000 Per Change Order
VIII. Architect/Engineer Contract Amendment	\$ 25,000 Per Amendment	\$ 25,000 Per Amendment

*Total potential purchase commitment whether single year or multi-term contracts are used.

The internal controls of the South Carolina Department of Disabilities and Special Needs' procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulations as described in the audit report. We recommend the State Fiscal Accountability Authority approve procurement certification for the South Carolina Department of Disabilities and Special Needs at the limits noted above for a period of three years.

4. What is Authority asked to do?

Approve the Recommended Procurement Certification for the South Carolina Department of Disabilities and Special Needs.

5. What is recommendation of Authority division involved?

Approve the Recommended Procurement Certification

6. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
(b) Division/Agency Name: _____

7. List of supporting documents:

- (a) S.C. Code Ann. § 11-35-1210

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information Technology includes consultant assistance for any aspect of information technology, systems and networks

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting scheduled for: October 15, 2019

Green Agenda

1. Submitted by:

- (a) Agency: Division of Procurement Services
(b) Authorized Official Signature:


John St. C. White, Materials Management Officer

2. Subject: Procurement Certification for the South Carolina Department of Education

3. Summary Background Information:

In accordance with S.C. Code Ann. §11-35-1210, the Division of Procurement Services has conducted an examination of the procurement operating policies and procedures of the South Carolina Department of Education to determine whether the internal controls of the Department's procurement system were adequate to ensure compliance, in all material respects, with the S.C. Consolidated Procurement Code and ensuing regulations.

	<u>Current Certification</u>	<u>Recommended Certification</u>
I. Supplies and Services ¹	*\$ 100,000 Per Commitment	*\$ 150,000 Per Commitment
II. Information Technology ²	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
III. Consultant Services	*\$ 100,000 Per Commitment	\$ -- Per Commitment
IV. School Bus Supplies and Services	*\$ 250,000 Per Commitment	*\$ 400,000 Per Commitment

*Total potential purchase commitment whether single year or multi-term contracts are used.

The internal controls of the South Carolina Department of Education's procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulations as described in the audit report. We recommend the State Fiscal Accountability Authority approve procurement certification for the South Carolina Department of Education at the limits noted above for a period of three years.

4. What is Authority asked to do?

Approve the Recommended Procurement Certification for the South Carolina Department of Education.

5. What is recommendation of Authority division involved?

Approve the Recommended Procurement Certification

6. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. List of supporting documents:

- (a) S.C. Code Ann. § 11-35-1210

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information Technology includes consultant assistance for any aspect of information technology, systems and networks

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting scheduled for: October 15, 2019

Green Agenda

1. Submitted by:

- (a) Agency: Division of Procurement Services
(b) Authorized Official Signature:


John St. C. White, Materials Management Officer

2. Subject: Procurement Certification for the South Carolina Department of Mental Health

3. Summary Background Information:

In accordance with S.C. Code Ann. §11-35-1210, the Division of Procurement Services has conducted an examination of the procurement operating policies and procedures of the South Carolina Department of Mental Health to determine whether the internal controls of the Department's procurement system were adequate to ensure compliance, in all material respects, with the S.C. Consolidated Procurement Code and ensuing regulations.

	<u>Current Certification</u>	<u>Recommended Certification</u>
I. Supplies and Services ¹	*\$ 250,000 Per Commitment	*\$ 500,000 Per Commitment
II. Information Technology ²	*\$ 50,000 Per Commitment	*\$ 100,000 Per Commitment
III. Consultant Services	*\$ 500,000 Per Commitment	\$ -- Per Commitment
IV. Construction Contract Award	\$ 100,000 Per Commitment	\$ 150,000 Per Commitment
V. Construction Contract Change Order	\$ 100,000 Per Change Order	\$ 150,000 Per Change Order
VI. Architect/Engineer Contract Amendment	\$ 15,000 Per Amendment	\$ 25,000 Per Amendment

*Total potential purchase commitment whether single year or multi-term contracts are used.

The internal controls of the South Carolina Department of Mental Health's procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulations as described in the audit report. We recommend the State Fiscal Accountability Authority approve procurement certification for the South Carolina Department of Mental Health at the limits noted above for a period of three years.

4. What is Authority asked to do?

Approve the Recommended Procurement Certification for the South Carolina Department of Mental Health.

5. What is recommendation of Authority division involved?

Approve the Recommended Procurement Certification

6. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
(b) Division/Agency Name: _____

7. List of supporting documents:

- (a) S.C. Code Ann. § 11-35-1210

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information Technology includes consultant assistance for any aspect of information technology, systems and networks

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting scheduled for: October 15, 2019

Green Agenda

1. Submitted by:

- (a) Agency: Division of Procurement Services
(b) Authorized Official Signature:


John St. C. White, Materials Management Officer

2. Subject: Procurement Certification for Spartanburg Community College

3. Summary Background Information:

In accordance with S.C. Code Ann. §11-35-1210, the Division of Procurement Services has conducted an examination of the procurement operating policies and procedures of Spartanburg Community College to determine whether the internal controls of the College's procurement system were adequate to ensure compliance, in all material respects, with the S.C. Consolidated Procurement Code and ensuing regulations.

	<u>Current Certification</u>	<u>Recommended Certification</u>
I. Supplies and Services ¹	*\$ 150,000 Per Commitment	*\$ 225,000 Per Commitment
II. Information Technology ²	*\$ 150,000 Per Commitment	*\$ 225,000 Per Commitment
III. Consultant Services	*\$ 150,000 Per Commitment	\$ -- Per Commitment
IV. Construction Contract Award	\$ 150,000 Per Commitment	\$ 250,000 Per Commitment
V. Construction Contract Change Order	\$ 25,000 Per Change Order	\$ 50,000 Per Change Order
VI. Architect/Engineer Contract Amendment	\$ 5,000 Per Amendment	\$ 10,000 Per Amendment

*Total potential purchase commitment whether single year or multi-term contracts are used.

The internal controls of Spartanburg Community College's procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulations as described in the audit report. We recommend the State Fiscal Accountability Authority approve procurement certification for Spartanburg Community College at the limits noted above for a period of three years.

4. What is Authority asked to do?

Approve the Recommended Procurement Certification for Spartanburg Community College.

5. What is recommendation of Authority division involved?

Approve the Recommended Procurement Certification

6. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. List of supporting documents:

- (a) S.C. Code Ann. § 11-35-1210

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information Technology includes consultant assistance for any aspect of information technology, systems and networks

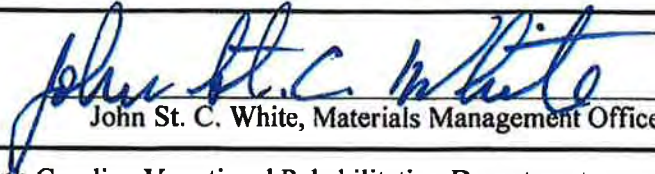
**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting scheduled for: October 15, 2019

Green Agenda

1. Submitted by:

- (a) Agency: Division of Procurement Services
(b) Authorized Official Signature:


John St. C. White, Materials Management Officer

2. Subject: Procurement Certification for the South Carolina Vocational Rehabilitation Department

3. Summary Background Information:

In accordance with S.C. Code Ann. §11-35-1210, the Division of Procurement Services has conducted an examination of the procurement operating policies and procedures of the South Carolina Vocational Rehabilitation Department to determine whether the internal controls of the Department's procurement system were adequate to ensure compliance, in all material respects, with the S.C. Consolidated Procurement Code and ensuing regulations.

	<u>Current Certification</u>	<u>Recommended Certification</u>
I. Supplies and Services ¹	*\$ 250,000 Per Commitment	*\$ 250,000 Per Commitment
II. Information Technology ²	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
III. Construction Contract Award	\$ 250,000 Per Commitment	\$ 250,000 Per Commitment
IV. Construction Contract Change Order	\$ 100,000 Per Change Order	\$ 100,000 Per Change Order
V. Architect/Engineer Contract Amendment	\$ 25,000 Per Amendment	\$ 25,000 Per Amendment

*Total potential purchase commitment whether single year or multi-term contracts are used.

The internal controls of the South Carolina Vocational Rehabilitation Department's procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulations as described in the audit report. We recommend the State Fiscal Accountability Authority approve procurement certification for the South Carolina Vocational Rehabilitation Department at the limits noted above for a period of three years.

4. What is Authority asked to do?

Approve the Recommended Procurement Certification for the South Carolina Vocational Rehabilitation Department.

5. What is recommendation of Authority division involved?

Approve the Recommended Procurement Certification

6. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. List of supporting documents:

- (a) S.C. Code Ann. § 11-35-1210

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information Technology includes consultant assistance for any aspect of information technology, systems and networks

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting scheduled for: October 15, 2019

Green Agenda

1. Submitted by:

(a) Agency: Division of Procurement Services

(b) Authorized Official Signature:


John St. C. White, Materials Management Officer

2. Subject: Procurement Certification for the Wil Lou Gray Opportunity School

3. Summary Background Information:

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services conducted an audit of the procurement operating policies and procedures of the Wil Lou Gray Opportunity School to determine whether the internal controls of the School's procurement system were adequate to ensure compliance, in all material respects, with the Code and ensuing regulations.

We believe corrective action based on the recommendations made in the report will place the Wil Lou Gray Opportunity School in compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulations.

The Wil Lou Gray Opportunity School has not requested procurement certification. Therefore, the audit report is submitted as information only.

4. What is Authority asked to do?

Receive the audit report as information only.

5. What is recommendation of Authority division involved?

We recommend the report be received as information only.

6. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. List of supporting documents:

(a) S.C. Code Ann. § 11-35-1210

§ 11-35-1210. Certification

- (1) **Authority.** The board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The designated board office shall review the respective governmental body's internal procurement operation, shall certify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the board those dollar limits for the respective governmental body's procurement not under term contract.
- (2) **Policy.** Authorizations granted by the board to a governmental body are subject to the following:

 - (a) adherence to the provisions of this code and the ensuing regulations, particularly concerning competitive procurement methods;
 - (b) responsiveness to user needs;
 - (c) obtaining of the best prices for value received.
- (3) **Adherence to Provisions of the Code.** All procurements shall be subject to all the appropriate provisions of this code, especially regarding competitive procurement methods and nonrestrictive specifications.

AGENCY: Executive Director

SUBJECT: Revenue Bonds

The required review on the following proposal to issue revenue bonds has been completed with satisfactory results. The project requires approval under State law.

Issuing Authority:	State Housing Finance and Development Authority
Amount of Issue:	Not Exceeding \$120,000,000 Mortgage Revenue Bonds (\$23,000,000 refunding involved)
Allocation Needed:	-0-
Name of Project:	Mortgage Revenue Bonds, Series 2019B
Employment Impact:	N/A
Project Description:	mortgage revenue bonds, Series 2019B
Bond Counsel:	Rion Foley, Burr Forman McNair LLP,

AUTHORITY ACTION REQUESTED:

Adopt the resolution approving the referenced proposal to issue revenue bonds.

ATTACHMENTS:

Resolution with attachments

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

October 10, 2019

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

Re: Proposed Not Exceeding \$120,000,000 South Carolina State Housing Finance and Development
Authority Mortgage Revenue Bonds, Series 2019B

Dear Delbert:

Enclosed are updated submission documents from the Housing Authority, including "downsizing" blacklines of changes made to the Petition, form Resolution of the SFAA and bond counsel opinion. Also enclosed please find a fully executed clean version of the Petition, a clean version of the Resolution of the SFAA and a clean version of our bond counsel opinion for your records.

Finally, an amended New Debt Information Form (prepared by the Financial Advisor to the Authority) reflecting a downsized transaction request (\$250,000,000 to \$120,000,000) has been sent to the State Treasurer's office under separate cover to be forwarded to the SFAA.

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.

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 \$120,000,000 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 2019B 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 2019B Bonds (Tax-Exempt and/or Taxable) or such other numbering convention as may be necessary are collectively referred to as the "Series 2019B Bonds".

3. The Series 2019B 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 2019B Bonds may be issued.

6. The Series 2019B 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 2019B 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 2019B 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 2019B 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 2019B 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 2019B 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 2019B Bonds.

9. This Petition constitutes the Authority's request that the SFAA approve the issuance of the Series 2019B Bonds in one or more series.

10. It is anticipated that the applicable series of the Series 2019B 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 2019B 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 2019B 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 2019B 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 2019B 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 2019B Bonds in one or more series. Prior to the issuance and delivery of the applicable series of the Series 2019B 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 2019B Bonds to be issued;
- (b) the maturity schedule of the applicable series of the Series 2019B 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 2019B Bonds.

12. The Authority stands ready to produce any further information required by the SFAA.

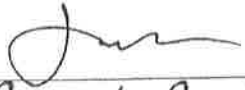
WHEREFORE, on the basis of the foregoing, the Authority prays:

That the SFAA approve the issuance of the Series 2019B Bonds (or such other numbering convention) in one or more series.

Respectfully submitted,

SOUTH CAROLINA STATE HOUSING
FINANCE AND DEVELOPMENT AUTHORITY

By:


Its: General Counsel

8/21, 2019

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 2019B (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 2019B Bonds") or such other numbering convention as may be necessary, in an aggregate amount not to exceed \$120,000,000, 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 2019B 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 2019B 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 2019B 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 \$120,000,000 South Carolina State Housing

Finance and Development Authority Mortgage Revenue Bonds, Series 2019B (or such other numbering convention as may be necessary) in one or more series.

The applicable series of the Series 2019B 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 2019B Bonds (or such other numbering convention as may be necessary) to be issued;
- (b) the maturity schedule of the applicable series of the Series 2019B 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 2019B 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 2019B 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 2019B 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 2019B 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 2019B 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 2019B 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 2019B Bonds and/or to refund any such bonds of the Authority (or such other numbering convention) in one or more series.

BURR • FORMAN MCNAIR

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BURR.COM

[FORM OF OPINION FOR FISCAL ACCOUNTABILITY AUTHORITY AGENDA]

_____, 2019

South Carolina State Housing Finance
and Development Authority
Columbia, South Carolina

Re: \$[120,000,000] South Carolina State Housing Finance and Development Authority Mortgage
Revenue Bonds, Series 2019B

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 \$[120,000,000] Mortgage Revenue Bonds, Series 2019B (the "Series 2019B 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 2019B 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 2019B Supplemental Resolution adopted by the Authority on _____, 2019 (the "Series 2019B Supplemental Resolution"). The General Resolution and the Series 2019B 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 2019B Bonds.

2. The Series 2019B 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 2019B 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 2019B Bonds.

4. Interest on the Series 2019B Bonds is excludable from gross income for federal income tax purposes. Interest on the Series 2019B 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 2019B 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 2019B Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2019B Bonds. Ownership of tax-exempt obligations, including the Series 2019B 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 2019B Bonds.

5. Interest on the Series 2019B 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 2019B Bonds.

The rights of the owners of the Series 2019B Bonds and the enforceability of the Series 2019B 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 2019B Bonds, or regarding the perfection or priority of

South Carolina State Housing Finance
and Development Authority

_____, 2019

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 2019B 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: 10/15/19

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: L320 Issuer: South Carolina Housing Finance & Development Authority Series: 2019 B
 Borrower (if not Issuer):
 Bond Caption: Mortgage Revenue Bonds
 Bond Resolution Amount: \$120,000,000.00 Est. Production/Par Amt: \$111,800,000.00

(* Used to calculate initial COI percentages; STO bond issues must use Par Amt *)

Submitted By:

Final Production/Par Amt: \$0.00

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:

☒ Public Offering: Competitive: ☐ Negotiated: ☒
☐ Direct Placement: Competitive: ☐ Negotiated: ☐
☐ Governmental Loan/Governmental Purchaser
☐ 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: \$90,000,000.00
 Project Type: Single Family Mortgages County:
 Projected Avg Interest Rate: 4.00% Final Maturity: 07/01/50

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)
MRB Bonds 2010-1 / 2013-	2019-2041	\$ 21,800,000.00	3.12%	1.76%	\$ 1,770,000.00	8.12%
		\$			\$	
		\$			\$	
Total		\$ 21,800,000.00	*****	*****	\$ 1,770,000.00	

4. FINANCING WORKING GROUP

Financial Advisor: Stifel Disclosure Counsel: Howell Linkous & Nettles
 Bond Counsel: Burr Forman McNair Issuer's Counsel: Internal Counsel
 Underwriter: Citigroup Trustee: Bank of New York Mellon
 Paying Agent: Bank of New York Mellon Other: Underwriter's Counsel - Parker Poe Adams

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:	08/21/19	Prelim/ Final
JBRC Approval:	00/00/00	
SFAA Approval:	10/15/19	Proposed

Project Approvals - Phase 0 (Spec. Tables 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?

☐ ☒

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

Sq. Footage - Not Applicable
 Cost Estimate - \$0

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
\$ 120,000,000.00	6/30/2020	Purchasing Mortgages / COI / DSR / Redemption
\$	00/00/00	All proceeds are spent before June 30, 2020
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$	00/00/00	
\$ 120,000,000.00		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 111,800,000.00	\$ 90,000,000.00	Project Fund
(b) Premium/Accr. Int.	\$ 8,200,000.00	\$ 3,000,000.00	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	\$ 1,030,150.00	\$ 3,354,000.00	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	\$	\$ 21,800,000.00	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	\$	\$ 1,199,150.00	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)	\$	\$	Accrued Interest
Type -	\$	\$ 1,677,000.00	Servicing Release Premium
Residual Project Sources		\$	Other
(6) Other		\$	Other
(a) GF -	\$	\$	Other
(a) FF -	\$	\$	Other
(c) OF -	\$	\$	Other
Total Project Sources	\$ 121,030,150.00	\$ 121,030,150.00	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	Stifel			\$ 71,000.00	\$	\$ 71,000.00
Bond Counsel	Burr Forman McNair			\$ 111,800.00	\$	\$ 111,800.00
Disclosure Counsel	Howell Linkous & Nettles			\$ 55,900.00	\$	\$ 55,900.00
Issuer's Counsel	Internal Counsel			\$	\$	\$
Underwriter's Counsel	Parker Poe Adams			\$ 27,950.00	\$	\$ 27,950.00
Transaction Counsel				\$	\$	\$
Legal Expenses				\$	\$	\$
				\$	\$	\$
Rating Agency - S&P				\$	\$	\$
Rating Agency - Moody's				\$ 70,000.00	\$	\$ 70,000.00
Rating Agency - Fitch				\$	\$	\$
Underwriter's Compensation				\$ 800,000.00	\$	\$ 800,000.00
Registrar / Paying Agent				\$ 30,000.00	\$	\$ 30,000.00
Escrow Agent				\$	\$	\$
Accountant				\$	\$	\$
Verification Agent				\$	\$	\$
Printing				\$ 2,500.00	\$	\$ 2,500.00
Publishing				\$	\$	\$
Advertising				\$	\$	\$
Contingency				\$ 30,000.00	\$	\$ 30,000.00
Issuer's Fee	SC JEDA / SC SHFDA			\$	\$	\$
				\$ 1,199,150.00	\$	\$ 1,199,150.00

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

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

0.06%	#DIV/0!
0.10%	#DIV/0!
0.18%	#DIV/0!
0.06%	#DIV/0!

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

0.72%	#DIV/0!
0.06%	#DIV/0!
1.07%	#DIV/0!



South Carolina Office of State Treasurer

New Debt Information Form Attachment

*10.15.2019 – South Carolina Housing Finance & Development Authority –
Mortgage Revenue Bonds - \$120,000,000*

Supplemental Response to Section 5:

This SFAA financing request is to refund existing debt as well as to secure new funds for agency purposes. The refunding portion of the 2019B bonds includes refunding outstanding Housing Revenue Bonds 2010 series 1 bonds and 2013 series 1 bonds.

As noted, the 2019B will also 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 underwriters discount) are estimated at \$399,150 based on vendor contracts and typical fees for prior SC Housing transactions.

NPV savings are calculated assuming 200% PSA and 3% discount rate. [* Housing bonds are subject to mandatory redemption at any time from repayments and prepayments of principal received on underlying mortgage loans. Also, "Planned Amortization Class" bonds have a higher coupon but a lower expected average yield because they are expected to be redeemed more rapidly resulting in a shorter average life. The yield estimates shown are based on an assumed 200% PSA prepayment rate on the mortgage loans to be acquired.]

Key Notes

The estimated schedule for this project is as follows:

- SFAA Approval of 2019B: 10/15/2019
- Final Bond Approval of 2019B: 10/16/2019
- Pricing of 2019B: 10/30/2019
- Closing of 2019B: 11/14/2019

AGENCY: Executive Director

SUBJECT: Economic Development (2019 Ceiling Allocations)

The initial balance of the 2019 state ceiling allocation is \$533,833,335. In accord with Code Section 1-11-520, \$213,533,334 (40% of the total) is designated as the state pool and \$320,300,001 (60% of the total) is designated as the local pool. There is presently a state ceiling balance of \$453,833,335 remaining for 2019. Allocation requests for 2019 totaling \$100,000,000 have been received thus far.

The recommendation from the Department of Commerce for allocations for this cycle totals \$10,000,000. The Department of Commerce makes the following recommendation for allocation from the local pool:

JEDA, River Park Independent Living, \$10,000,000 (Horry County) (independent senior living community consisting of approximately 18 duplexes with 2 units each for a total of 36 units).

In accord with S.C. Code of Laws Section 1-11-500, et seq., JEDA (Jobs-Economic Development Authority) has requested that the allocation of \$10,000,000 for the River Park Independent Living project be designated as carryforward for use in subsequent years. The project is an exempt facility (i.e., qualified residential rental bonds) under Section 142 of the Internal Revenue Code and is eligible for carryforward for the next three calendar years. The Authority is asked to authorize the filing of a carryforward election with the Internal Revenue Service provided that the bonds have not been issued on or before the ceiling allocation expiration date of December 31, 2019.

If the Authority approves the recommended request, this will leave an unexpended state ceiling balance of \$443,833,335 (state pool - \$213,533,334; local pool - \$230,000,001) to be allocated later in the calendar year.

AUTHORITY ACTION REQUESTED:

In accord with Code Section 1-11-500 et seq. and upon the recommendation of the Department of Commerce, grant the following tentative ceiling allocation from the local pool:

JEDA, River Park Independent Living, \$10,000,000; and

In accord with S.C. Code of Laws Section 1-11-500, et seq., designate the allocation of \$10,000,000 for the River Park Independent Living project as carryforward for use in subsequent years and authorize the filing of a carryforward election with the Internal Revenue Service provided that the bonds have not been issued on or before the ceiling allocation expiration date of December 31, 2019.

ATTACHMENTS:

2019 Ceiling Allocation Requests; Young 9/30/19 Memo; Code Section 1-11-500 et seq.

2019 Ceiling Allocation Requests

Recd.	Issuing Authority	Project	Request	Cumulative	Bond Counsel	Request Alloc	St.Law	Location	NOTES
1	01/29/19 JEDA	The Murfin Mem. Inc.	10,000,000	10,000,000	Kathleen McKinnery	x		Laurens	
2	01/29/19 JEDA	Probas Ventures, LLC	10,000,000	20,000,000	Kathleen McKinnery	x		Marlboro	
3	01/29/19 JEDA	Probas Ventures, LLC	10,000,000	30,000,000	Kathleen McKinnery	x		Marlboro	
4	08/13/19 JEDA	The Heritage at Forest Acres Properties	60,000,000	90,000,000	Kathleen McKinnery	x		Richland	
5	09/03/19 JEDA	River Park Independent Living	10,000,000	100,000,000	Emily Luther	x		Horry	

Summary, CY 2019

2019 South Carolina State Ceiling Allocations

2019 State Ceiling
Initial Allocations 533,833,335
Expired/Relinquished 100,000,000
Actual Allocations 10,000,000
Certified for Issue 90,000,000
Carried Forward 20,000,000
0

Balance Available: 443,833,335

Issuer	Name of Project	Allocation Amount	Expired/ Relinquished	Certified for Issue	Issue Date	Attorney
Allocation: 1/29/19						
JEDA	The Muffin Man, Inc.	10,000,000		10,000,000	03/12/19	McKinney
JEDA	Probias Ventures, LLC	10,000,000	10,000,000		expired	McKinney
Allocation: 5/14/19						
JEDA	Probias Ventures, LLC	10,000,000		10,000,000	05/30/19	McKinney
Allocation: 8/13/19						
JEDA	The Heritage at Forest Acres Properties	60,000,000				McKinney
Allocation: 10/15/19						
JEDA	River Park Independent Living	10,000,000				Luther

2019 South Carolina State Ceiling
Balance as of October 15, 2019, if ceiling allocation granted

State Pool (40%)	213,533,334
Total State Pool (40%)	<u>213,533,334</u>
Local Pool (60%)	320,300,001
Total Local Pool (60%)	<u>320,300,001</u>
Certified State Ceiling 2019	<u>\$33,833,335</u>

Date	Governmental Unit	Name of Project	Pool Total	Amount Allocated	Balance Available	Certified for Issue	Issue Date	Attorney
01/02/19	STATE POOL		213,533,334					

TOTAL, STATE POOL			<u>213,533,334</u>	<u>0</u>	<u>213,533,334</u>	<u>0</u>		
01/02/19	LOCAL POOL		320,300,001					
01/29/19	JEDA	The Murfin Mann, Inc.		10,000,000		10,000,000	03/12/19	McKinney
01/29/19	JEDA	Probtas Ventures, LLC		0		0	expired	McKinney
05/14/19	JEDA	Probtas Ventures, LLC		10,000,000		10,000,000		McKinney
08/13/19	JEDA	The Heritage at Forest Acres Properties		60,000,000				McKinney
10/15/19	JEDA	River Park Independent Living		10,000,000				Luther

TOTAL, LOCAL POOL	<u>320,300,001</u>	<u>90,000,000</u>	<u>230,300,001</u>	<u>20,000,000</u>
GRAND TOTAL	<u>\$33,833,335</u>	<u>90,000,000</u>	<u>443,833,335</u>	<u>20,000,000</u>



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

MEMORANDUM

To: Delbert Singleton

From: Daniel Young *ADY*

Date: September 30, 2019

Re: October 15, 2019 meeting

Upon request of SC State Fiscal Accountability Authority, the South Carolina Department of Commerce evaluates allocation requests that pertain to economic development.

After reviewing the information provided by the law firm of Parker Poe Adams Bernstein, LLP, the Department of Commerce recommends approval of Economic Development Revenue Bonds at the October 15, 2019, meeting of the State Fiscal Accountability Authority. The Company is committing to create 15 direct new jobs within 24 months.

Name	Amount	Score	County
Riverpark Independent Living Center	\$10,000,000	-4	Horry

Please let me know if you have any questions.

Thank you.

ARTICLE 3.

ALLOCATION OF STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

SECTION 1-11-500. Calculation and certification of state ceiling.

The state ceiling on the issuance of private activity bonds as defined in Section 146 of the Internal Revenue Code of 1986 (the Code) established in the act must be certified annually by the Budget and Control Board secretary based upon the provisions of the act. The board secretary shall make this certification as soon as practicable after the estimates of the population of the State of South Carolina to be used in the calculation are published by the United States Bureau of the Census but in no event later than February first of each calendar year.

SECTION 1-11-510. Allocation of bond limit amounts.

- (A) The private activity bond limit for all issuing authorities must be allocated by the board in response to authorized requests as described in Section 1-11-530 by the issuing authorities.
- (B) The aggregate private activity bond limit amount for all South Carolina issuing authorities is allocated initially to the State for further allocation within the limits prescribed herein.
- (C) Except as is provided in Section 1-11-540, all allocations must be made by the board on a first-come, first-served basis, to be determined by the date and time sequence in which complete authorized requests are received by the board secretary.

SECTION 1-11-520. Private activity bond limits and pools.

- (A) The private activity bond limit for all state government issuing authorities now or hereafter authorized to issue private activity bonds as defined in the act, to be known as the "state government pool", is forty percent of the state ceiling less any amount shifted to the local pool as described in subsection (B) of this section or plus any amount shifted from that pool.
- (B) The private activity bond limit for all issuing authorities other than state government agencies, to be known as the "local pool", is sixty percent of the state ceiling plus any amount shifted from the state government pool or less any amount shifted to that pool.
- (C) The board, with review and comment by the Joint Bond Review Committee, may shift unallocated amounts from one pool to the other at any time.

SECTION 1-11-530. Authorized requests for allocation of bond limit amounts.

- (A) For private activity bonds proposed for issue by other than state government issuing authorities, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a copy of the Inducement Contract, Inducement Resolution, or other comparable preliminary approval entered into or adopted by the issuing authority, if any, relating to the bonds. The board shall forward promptly to the committee a copy of each petition received.
- (B) For private activity bonds proposed for issue by any state government issuing authority, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a bond resolution or comparable action by the issuing authority authorizing the issuance of the bonds. The board shall forward promptly to the committee a copy of each petition received.
- (C) Each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project.

SECTION 1-11-540. Limitations on allocations.

(A) The board, with review and comment by the committee, may disapprove, reduce, or defer any authorized request. If it becomes necessary to exercise this authority, the board and the committee shall take into account the public interest in promoting economic growth and job creation.

(B) Authorized requests for state ceiling allocations of more than ten million dollars for a single project are deferred until after July first unless the board, after review and comment by the committee, determines in any particular instance that the positive impact upon the State of approving an allocation of an amount greater than ten million dollars is of such significance that approval of the allocation is warranted.

SECTION 1-11-550. Certificates by issuing authority and by board.

(A) An allocation of the state ceiling approved by the board is made formal initially by a certificate which allocates tentatively a specific amount of the state ceiling to the bonds for which the allocation is requested. This tentative allocation certificate must specify the state ceiling amount allocated, the issuing authority and the project involved, and the time period during which the tentative allocation is valid. This certificate must remind the issuing authority that the tentative allocation is made final after the issuing authority chairman or other duly authorized official or agent of the issuing authority, before the issue is made, certifies the issue amount and the projected date of issue, as is required by subsection (B) of this section. It also may include other information considered relevant by the board secretary.

(B) The chairman or other authorized official or agent of an issuing authority issuing any private activity bond for which a portion of the state ceiling has been allocated tentatively shall execute and deliver to the board secretary an issue amount certificate setting forth the exact amount of bonds to be issued and the projected bond issue date which date must not be more than ten business days after the date of the issue amount certificate and it must be before the state ceiling allocation involved expires. The issue amount certificate may be an executed copy of the appropriate completed Internal Revenue Service form to be submitted to the Internal Revenue Service on the issue or it may be in the form of a letter which certifies the exact amount of bonds to be issued and the projected date of the issue.

(C) In response to the issuing authority's issue amount certificate required by subsection (B) of this section, the board secretary is authorized to issue and, as may be necessary, to revise a certificate making final the ceiling allocation approved previously by the board on a tentative basis, if the secretary determines that:

(1) the issuing authority's issue amount certificate specifies an amount not in excess of the approved tentative ceiling allocation amount;

(2) the issue amount certificate was received prior to the issue date projected and that the certificate is dated not more than ten days prior to the issue date projected;

(3) the issue date projected is within the time period approved previously for the tentative ceiling allocation; and

(4) the bonds when issued and combined with the total amount of bonds requiring a ceiling allocation included in issue amount certificates submitted previously to the board by issuing authorities do not exceed the state ceiling for the calendar year. Except under extraordinary circumstances, the board secretary shall issue this certificate within two business days following the date the issue amount certificate is received.

(D) In accordance with Section 149(e)(2)(F) of the Code, the secretary of the Budget and Control Board is designated as the state official responsible for certifying, if applicable, that certain bonds meet the requirements of Section 146 of the Code relating to the volume cap on private activity bonds.

(E) Any tentative or final state ceiling allocation granted by the board before the effective date of this act remains valid as an allocation of a portion of the volume cap for South Carolina provided under Section 146 of the Code. The allocations expire in accordance with the regulations under which they were granted or extended and their validity may be extended or reinstated in accordance with the provisions of Sections 1-11-500 through 1-11-570.

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

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

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

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

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

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

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

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

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

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

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

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

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR AGENDA

MEETING OF October 15, 2019

ITEM NUMBER 18

AGENCY: Executive Director

SUBJECT: The Heritage at Forest Acres, LLC Ceiling Allocation Extension Request

On August 13, 2019, the State Fiscal Accountability Authority granted a tentative ceiling allocation for The Heritage at Forest Acres, LLC, project in the amount of \$60,000,000 with an expiration date of November 11, 2019. Bond counsel for the transaction has indicated that the closing for the transaction has been revised from an October 2019 closing to later in November 2019.

In accord with S.C. Code of Laws Section 1-11-560(C), JEDA requests an extension of the volume cap allocation through December 12, 2019, which is not more than 31 consecutive calendar days and which is a total of not more than 121 days from the date of the allocation.

AUTHORITY ACTION REQUESTED:

In accord with Code Section 1-11-560(C), JEDA's request for an extension of the volume cap allocation to The Heritage at Forest Acres, LLC, project in the amount of \$60,000,000 to December 12, 2019.

ATTACHMENTS:

JEDA Petition; Code Section 1-11-560(C)

TRANSMITTAL FORM, REVENUE BONDS

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

DATE: August, 2019

Submitted for SFAA Meeting on:

October 15, 2019

FROM:

RE:

Kimberly Witherspoon, Haynsworth Sinkler Boyd, P.A.
Name of Law Firm

\$60,000,000

Amount of Issue

1 North Main Street, 2nd Floor
Street Address/Box Number

SC Jobs-Economic Development Authority
Name of Issuing Authority

Greenville, SC 29601
City, State, Zip Code

Senior Living Revenue Bonds
Type of Bonds or Notes

864-240-3255
Area Code/Telephone Number

November 2019
Projected Issue Date

Project Name: The Heritage at Forest Acres, LLC Project

Project Description: Financing includes (i) cost of acquiring, developing and constructing 40 rental independent living cottages, 88 assisted living units and 42 memory care units for a senior housing community; (ii) working capital; (iii) a capitalized interest fund; (iv) a liquidity support fund; and (v) other costs of issuance

Employment as a result of the project: Estimated minimum of 85 jobs within 24 months plus 500 construction jobs

Ceiling Allocation Required

X Yes (\$ 60,000,000) No
Amount

Refunding Involved

 Yes (\$) X No
Amount

Project Approved Previously

X 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. N/A State Fiscal Accountability Authority Resolution and Public Notice *(original)*

Plus copies for certification and return to bond counsel

F. N/A Draft bond counsel opinion letter

G. N/A Processing Fee

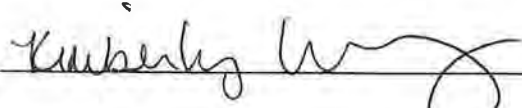
Amount: \$

Payor:

Check No:

Bond Counsel: Kimberly Witherspoon
Typed Name of Bond Counsel

By:
SFAA



Signature

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

**PETITION OF SOUTH
CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

1. The Act, among other things authorizes the State Fiscal Accountability Authority (the “*SFAA*”) to allocate the State of South Carolina’s (the “*State*”) ceiling on the issuance of private activity bonds in response to authorized requests from issuing authorities.

3. In response to a written request by the chairman or other duly authorized official or agent of an issuing Authority, the Board, acting during the period an approved allocation is valid, may extend the period in which an allocation is valid in a single calendar year by thirty-one (31) consecutive calendar days to a total of not more than one hundred twenty-one consecutive calendar days.

4. The Authority has agreed to assist The Heritage at Forest Acres Properties, LLC and The Heritage at Forest Acres Management Company, LLC, each a Florida limited liability company (collectively, the “**Borrower**”), by issuing its revenue bonds in one or more tax-exempt and taxable series in order to defray the cost to (i) acquire approximately 26.49 acres of land in Richland County, South Carolina, located at 1348 Sunnyside Drive, Forest Acres, South Carolina; (ii) construct, develop and equip an assisted living and memory care rental community for seniors to be known as The Heritage at Forest Acres, expected to consist of approximately one hundred seventy (170) total units of senior housing, including forty (40) independent living cottages, eighty-eight (88) assisted living units and forty-two (42) memory support units (the “**Project**”); (iii) fund capitalized interest on the Bonds; (iv) funding a working capital fund; (v) funding a liquidity support fund; and (vi) fund the cost of issuance of the Bonds. The Authority has petitioned the South Carolina Coordinating Council for Economic Development for approval of the Bonds, pursuant to Section 41-43-110 of the Code of Laws of South Carolina 1976, as amended.

6. On August 13, 2019, the SFAA allocated \$60,000,000 from the State ceiling for calendar year 2019 to the Bonds for the Project.

7. The Bonds to be issued for the Project require an allocation of \$60,000,000 of the State ceiling. The Bonds constitute all of the private activity bond financing contemplated for the Project as of the date of this Petition.

Upon the basis of the foregoing, the Authority respectfully prays that the SFAA (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such review as it deems advisable and (iii) extend the period in which the allocation of \$60,000,000 to the Bonds is valid by thirty-one (31) consecutive days for calendar year 2019.

Respectfully submitted,

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____

Harry A. Huntley
Executive Director

Dated: August _30_, 2019

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT BY AND BETWEEN THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY, THE HERITAGE AT FOREST ACRES PROPERTIES, LLC AND THE HERITAGE AT FOREST ACRES MANAGEMENT COMPANY, LLC, WHEREBY UNDER CERTAIN CONDITIONS THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY WILL ISSUE NOT EXCEEDING \$60,000,000 OF ITS REVENUE BONDS PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED; AND AUTHORIZING THE APPLICATION UPON CERTAIN CONDITIONS TO THE SOUTH CAROLINA COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT FOR APPROVAL OF THE ISSUANCE OF SUCH BONDS AND THE STATE FISCAL ACCOUNTABILITY AUTHORITY FOR APPROVAL OF STATE CEILING ALLOCATION.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "*Authority*"), acting by and through its Board of Directors is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43, of the Code of Laws of South Carolina 1976, as amended (the "*Act*"), to utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to business enterprises which meet the eligibility requirements of Section 41-43-150 of the Act and for other purposes described in Section 41-43-160 of the Act and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State of South Carolina (the "*State*") and in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State; and

WHEREAS, the Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds, as defined in the Act to include notes, payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues; and

WHEREAS, The Heritage at Forest Acres Properties, LLC and The Heritage at Forest Acres Management Company, LLC, each a Florida limited liability company (collectively, the "*Borrower*"), has applied to the Authority to issue not exceeding \$60,000,000 of its revenue bonds (the "*Bonds*") in one or more tax-exempt and taxable series in order to defray a portion of the cost of (i) acquiring approximately 26.49 acres of land in Richland County, South Carolina (the "*County*"), located at 1348 Sunnyside Drive, Forest Acres, South Carolina; (ii) constructing, developing and equipping an assisted living and memory care rental community for seniors to be known as The Heritage at Forest Acres, expected to consist of approximately one hundred seventy (170) total units of senior housing, including forty (40) independent living cottages, eighty-eight (88) assisted living units and forty-two (42) memory support units (the "*Series 2019 Project*"); (iii) funding capitalized interest on the Bonds; (iv) funding a working capital fund; (v) funding a liquidity support fund; and (vi) funding the cost of issuance of the Bonds (collectively, the "*Undertaking*"), and the Authority wishes to induce the Borrower to cause the Project to be acquired, renovated and constructed within the State; and

WHEREAS, it is in the public interest, for the public benefit and in furtherance of the public purposes of the Authority that its Board of Directors provide preliminary approval of the issuance of revenue bonds for the aforesaid purposes; and

WHEREAS, it is deemed advisable by the Authority to file with the South Carolina Coordinating Council for Economic Development (the "*Coordinating Council*"), in compliance with Section 41-43-110 of the Act, the Petition of the Authority requesting approval by the Coordinating Council for the issuance of the Bonds at public or private sale upon receipt by the Authority from the Borrower of evidence satisfactory to the Authority of the economic feasibility of the Project; and

WHEREAS, it is deemed advisable by the Authority to file with the State Fiscal Accountability Authority, in compliance with the provisions of Title 1, Chapter 11, of the Code of Laws of South Carolina 1976, as amended, the Petition of the Authority requesting not exceeding \$60,000,000 of the State ceiling to be allocated by the State Fiscal Accountability Authority to the Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

Section 1. It is hereby found, determined, and declared as follows:

(a) The Borrower is a responsible party engaged in the development, acquisition and operation of senior living communities.

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of the Bonds will result in the creation of employment for those engaged in construction of the facilities of which the Project is an essential and necessary part, by providing employment for approximately eighty-five (85) people within twenty-four (24) months when the Project is placed in full operation, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally, and the number of jobs resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(c) The principal amount of the Bonds bears a reasonable relationship to the amount of private funds committed to the Project.

(d) The size and scope of the Project is such that a definite benefit to the economy of the State and the County, in particular, is reasonably expected to result therefrom.

Section 2. Subject to such approval by the State Fiscal Accountability Authority (as authorizer of State ceiling allocation) and the Coordinating Council, as required by law, the Board of Directors of the Authority preliminarily approves the issuance and sale of revenue bonds of the Authority pursuant to Section 41-43-110 of the Act in a principal amount of not exceeding \$60,000,000 for the purpose of providing financing to the Borrower for the acquisition, equipping and construction of the Project.

Section 3. The issuance and sale of the Bonds shall be upon such terms and conditions as may be mutually agreed upon by the Authority, the Borrower, and the purchaser of the Bonds, and shall be subject to completion of proceedings for issuance, sale, and delivery of the Bonds satisfactory to the Authority. The provisions, terms, and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity, and redemption provisions, if any, of the Bonds, other details of any loan agreement relating to the Bonds, and findings required by the Act shall be prescribed by subsequent resolution of the Authority and shall be reasonable and proper, taking into account such factors as the type of program involved, the principal amount of the Bonds, and the

number and type of program involved, the principal amount of the Bonds, and the number and type of jobs involved; the public interest shall be adequately protected by the terms thereof.

Section 4. The Executive Director of the Authority is hereby authorized and directed to execute the Inducement Agreement attached hereto in the name and on behalf of the Authority, and is hereby further authorized and directed to deliver said executed Inducement Agreement to the Borrower.

Section 5. It is the intention of the Authority that this resolution shall constitute official intent on the part of the Authority within the meaning of the applicable regulations of the Treasury Department relating to the issuance of tax-exempt revenue bonds.

Section 6. To be eligible for reimbursement of any expenditures, the Borrower will allocate the proceeds of any bonds to reimburse such expenditures not later than 18 months after the later of (a) the date on which the original expenditures were paid or (b) the date the project was placed in service or abandoned, but in no event more than three years after the original expenditures were paid. Expenditures, for purposes of the declaration of official intent and the reimbursement allocation, do not apply to any "preliminary expenditures" for a project, up to an amount not in excess of 20 percent of the aggregate issue price of the Bonds. "*Preliminary expenditures*" include architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that were incurred prior to the commencement of acquisition, construction or rehabilitation of the Project. Costs such as land acquisition, site preparation, and similar costs incident to commencement of construction are not "preliminary expenditures" and official intent must be expressed as to these costs.

Any expenditures to be reimbursed from bond proceeds and initially paid from operating or capital reserve funds of the Borrower will be incurred solely to acquire, construct, or rehabilitate property having a reasonably expected economic life of at least one year.

Section 7. The Bonds shall never constitute an indebtedness of the Authority or the State within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Authority or the State or a charge against the general credit of the Authority or the State or the taxing powers of the State.

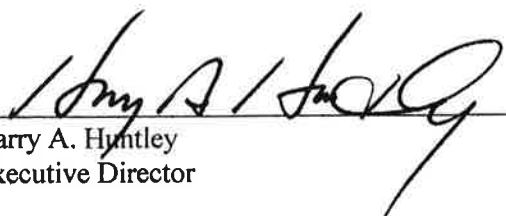
Section 8. Upon receipt by the Authority from the Borrower of evidence, which shall be satisfactory to the Authority, of the economic feasibility of the Project, there shall be and is hereby authorized and directed the submission on behalf of the Authority, of (i) a Petition requesting approval by the Coordinating Council pursuant to the provisions of Section 41-43-110 of the Act of the issuance of the Bonds through public or private sale, and (ii) a Petition requesting approval by the State Fiscal Accountability Authority of allocation to the Bonds of \$60,000,000 from the state ceiling for calendar year 2019, which Petitions constitute and are hereby made a part of this authorizing resolution, to be in form acceptable to the Coordinating Council and State Fiscal Accountability Authority, respectively.

Section 9. The Executive Director of the Authority shall be and is hereby authorized and directed to execute said Petitions in the name and on behalf of the Authority and thereafter, upon the conditions set forth hereinabove, to submit an executed copy of this resolution to the Coordinating Council and the State Fiscal Accountability Authority.

Section 10. All orders and 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.

Passed and approved July 17, 2019.

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**



Harry A. Huntley
Executive Director

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF October 15, 2019

ITEM NUMBER 19

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, December 10, 2019, in Room 252, Edgar A. Brown Building.

The following is a list of proposed meetings for the State Fiscal Accountability Authority for 2020:

PROPOSED 2020 SFAA MEETING SCHEDULE

Tuesday, February 4, 2020 at 9:30 a.m.
Tuesday, March 24, 2020 at 9:30 a.m.
Tuesday, May 12, 2020 at 9:30 a.m.
Tuesday, June 30, 2020 at 10:00 a.m.
Tuesday, August 18, 2020 at 10:00 a.m.
Tuesday, October 13, 2020 at 10:00 a.m.
Tuesday, December 8, 2020 at 10:00 a.m.

AUTHORITY ACTION REQUESTED:

Agree to meet at 10:00 a.m. on Tuesday, December 10, 2019, in Room 252, Edgar A. Brown Building.

Approve the following meeting schedule for 2020:

Tuesday, February 4, 2020 at 9:30 a.m.
Tuesday, March 24, 2020 at 9:30 a.m.
Tuesday, May 12, 2020 at 9:30 a.m.
Tuesday, June 30, 2020 at 10:00 a.m.
Tuesday, August 18, 2020 at 10:00 a.m.
Tuesday, October 13, 2020 at 10:00 a.m.
Tuesday, December 8, 2020 at 10:00 a.m.

ATTACHMENTS: