

BENEFITS OF AN ELEVEN YEAR TERM CONTRACT FOR CLEMSON UNIVERSITY'S ERP CONTRACT

Clemson University is seeking approval to enter a contract with a potential term that exceeds the current maximum allowable seven (7) year contract for our Enterprise Resource Planning (ERP) solution. This will be a Software as a Service (SaaS) ERP solution that will include both Financials and Human Resources components. As was the approach by MUSC on a similar contract in the past few years, Clemson would like to solicit for a contract with a base performance term of five (5) years, followed by options for two (2) three-year extensions. This contract performance period would begin at the conclusion of implementation. Clemson is not requesting a single firm-fixed term, but is requesting an initial contract with 2 extensions if the contract at that time would benefit the University through an extension. Each extension would be based on need and satisfaction with previous services provided. Clemson's research has shown that extending the allowable contract from 7 years to a longer term, would achieve the following benefits.

1. Achieving significant costs savings. First and foremost, a longer term contract would deliver savings to Clemson University. Clemson will be procuring a Software as a Service (SaaS) solution that will be a major investment in time, resources and money. Being able to spread these costs out over a longer period of time will allow vendors to offer more attractive offers while also allowing Clemson to account for these costs over a longer time horizon. Sticking to only a 5 or 7 year term would result in Clemson incurring these same costs again in a shorter period of time by potentially implementing a new solution before the original one was fully utilized.
2. Align the contract with the expected life of the solution. The effective life of an ERP solution is between 7 and 10 years. With the expected continued evolution of modern technology platforms an extended contracting time period will allow the full adoption and deployment of the solution to take full advantage of the scale of economies associated with the technology evolution curve. Increasing the term will reduce the disparity in costs between retaining the existing solution or obtaining a new system, resulting in increased competition.
3. Prospect of increased customer service. With the benefit of increased cost savings comes the prospect of increased customer service. Studies have shown that a SaaS vendor begins to recoup their costs in the third year. The longer terms puts an increased burdened on the vendor to maintain the high level of service for a longer period to assure contract extension. Having these two options to extend the contract at years 5 and 8 ensure that the vendor stays engaged, which will result in continued and improved engagement from the vendors.
4. Increased contracting stability. Even with the extended time frame, Clemson anticipates an improved ability to negotiate contract terms more favorable to the

entity. With the increased value of the contract terms, vendors are often more willing to accept a customer's terms based on a risk to benefit ratio.

5. Reducing disruptions. Extending the term as proposed will increase the period in which the Solution can be used thereby reducing the disruption of day-to-day business activities of both governmental entities and vendors associated with implementing a new system. We expect the actual full implementation of the solution will take 2-3 years from project kickoff. Those functions implemented near the end of the project could be looking at a new contract before they even fully achieve the benefits of the new solution in a short term contract.
6. Increasing competition and access to more innovative solutions. A longer term contract will be more attractive to the vendors. The result will be a solicitation in which more vendors are encouraged to propose and incented to offer a more comprehensive Solution at better pricing.
7. Promoting procurement and operational implementation efficiencies. Consuming a significant portion of the time, the designing, procurement, and actual implementation of the solution is a major lift for a large group of employees. Having to revisit this process a few years after completing the initial implementation simply does not make sense, if the solution is working well. Having the option to renew after 5 or 8 years gives Clemson the flexibility to react based on performance versus having to do something simply because statute and a contract say it's time to do it again.

Clemson has contracted with Gartner Research and Consulting to serve as our industry expert to help guide us through the process of assessing our needs and developing the scope for our solicitation. Gartner has shared the following research to support the above conclusions for a longer-term contract, as they did with MUSC:

Gartner Invest Analyst Insight: Understanding Software Pricing Dynamics Will Be Important in 2022

14 March 2022

...As SaaS becomes a larger percentage of deals, Gartner believes that, increasingly, negotiations will be fewer and far between as only the largest of customers will be able to change pricing on subscription contracts for SaaS solutions. And even as these offerings become more standardized, vendors will likely enforce new charges for access to platform capabilities and API connections to other vendor solutions...

Analyst: Adam Woodyer

3 Key Actions to Reduce Cost and Risk in Your New SaaS Agreement

25 February 2022

...One of the benefits of a longer term-length is that pricing may be fixed for the duration of the contract with many providers. At the end of an initial term, the hard switching costs (for example, the cost of another provider's subscription, training and implementation) and soft switching costs (for example, the new provider's future renewal costs or any hidden costs) are often unknown...

Analysts: Quintin Casper, Hannah Decker

Composable Business Will Drive Changes to Software and SaaS Negotiation

9 December 2021

...Software and SaaS form a significant and key part of composable technology. Software and SaaS applications are often negotiated in bulk, under large, long-term contracts. This is aimed at maximizing economies of scale (for the buyer) and locking-in recurring revenue (for the vendor)...

Analysts: Jo Liversidge, Luke Ellery, Mike Tucciarone

Predicts 2022: SaaS Dominates Software Contracting by 2026 — and So Do Risks

2 December 2021

...Software providers' SaaS offerings continue to grow rapidly, giving providers significant market power that will fundamentally change how sourcing, procurement and vendor management leaders negotiate and manage contracts. Discounts will shrink and other concessions will rise in importance...

Analysts: Michael Silver, Mike Tucciarone, James Smith, Marie Sienkowski, Hannah Decker, Jo Liversidge, Roberto Sacco, Eugene Quillen

3 Steps to Improve Software and SaaS Renewal Negotiation Preparation Strategies

14 June 2021

...SPVM leaders responsible for negotiating software and cloud renewals with little time should... Review the complete portfolio of software and SaaS contracts and develop a tiering matrix to identify high-value, complex and expected future-value contracts in the highest tiers, with an aligned long-term renewal roadmap. The large volume of contracts outside of this priority set should be aligned to lower tiers with condensed renewal roadmaps...

Analysts: Ben Jepson, Dawn Hubbard

Top 10 SaaS Terms to Negotiate That Avoid Putting Your Budget and Business at Risk

26 April 2021

... SaaS is a subscription, with typically high levels of lock-in, which leaves clients exposed to significant price increases on renewal, if not negotiated. Although many vendors do not have standard terms related to the limit the pricing can increase on a renewal term...

Analyst: Jo Liversidge

Predicts 2021: Crisis Will Force Changes to Software and Cloud SaaS Contract Negotiation⁴

23 December 2020

... The most obvious impact is the potential for reduced revenue on SaaS vendors as customers sign shorter contracts. This will potentially reduce the remaining performance obligation (RPO) for publicly quoted SaaS companies. This may result in vendors incentivizing customers to sign longer deals, which... may mean customers would reduce costs with incumbent vendors...

Analysts: Jo Liversidge, Melanie Alexander, Hannah Decker, Michael Silver

4 Steps to Successful SaaS Negotiations and Vendor Lock-In Prevention

3 December 2020

... SaaS price escalation at renewal is often a high risk, because a buyer's leverage usually peaks just before the buyer signs the initial SaaS deal with the provider. Based on our SaaS interactions over the past year, a common mistake is leaving renewal price caps for "good-faith negotiations," resulting in significant (often double-digit) increases...

Analysts: Hannah Decker, Dawn Hubbard

Exhibit B

SECTION 11-35-2030. Multiterm contracts.

(1) Specified Period. Unless otherwise provided by law, a contract for supplies, services, or information technology must not be entered into for any a period of more than one year unless approved in a manner prescribed by regulation of the board. The term of the contract and conditions of renewal or extension must be included in the solicitation and funds must be available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods must be subject to the availability and appropriation of funds for them.

(2) Determination Prior to Use. Before the utilization of a multiterm contract, it must be determined in writing by the appropriate governmental body that:

(a) estimated requirements cover the period of the contract and are reasonably firm and continuing; and

(b) such a contract serves the interest of the State by encouraging effective competition or otherwise promoting economies in state procurement.

(3) Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract must be canceled.

(4) Maximum Duration. The maximum potential duration for a contract is five years. A maximum potential duration of up to seven years may be approved by the appropriate chief procurement officer.

(5) Authority Approval. Every type of contract with a maximum potential duration exceeding seven years must be approved by the board. For competitive procurements, approval of the maximum potential duration must be granted before solicitation.

Exhibit C

State Fiscal Accountability Authority Approved Contract Durations Greater Than Seven Years			
Date of Approval	Agency	Item	Maximum Potential Duration
3/8/2016	SC Educational Lottery	Central Gaming System	10 year performance term
9/20/2016	University of South Carolina	Food Service	15 years
9/20/2016	Department of Mental Health	Operation of Sexually Violent Predator Treatment Program	40 years
12/13/2016	University of South Carolina	Concessions, catering, and non-athletic event merchandise sales for all athletic venues	10 years
8/31/2017	SC Forestry Commission	Operation of Neiderhof Forestry Center	10 Years
9/1/2017	SC Forestry Commission	Operation of Taylor Nursery	10 Years
12/12/2017	Winthrop University	Food Service	10 Years
12/12/2017	SFAA Division of Procurement Svcs	Electronic Procurement System	10 year performance term
12/11/2018	Medical University of South Carolina	Enterprise Resource Planning System	11 year performance term
5/14/2019	University of South Carolina	Trademark and Licensing including apparel	10 years
6/18/2019	Department of Transportation	Enterprise Asset Management System	17 years
12/17/2020	University of South Carolina	Rental Management, premium catering, and operation of dining facility at Williams Brice Stadium	10 years
5/18/2021	Trident Technical College	Enterprise Resource Planning System	11 year performance term
10/12/2021	Medical University of South Carolina	Student Information System	11 years

AGENCY: Division of Procurement Services

SUBJECT: Procurement Exemption for Law Enforcement Programs to Procure Supplies and Equipment for Homeland Security and Emergency Response Activities

Section 11-35-710 authorizes the State Fiscal Accountability Authority (the "Authority") to "exempt specific supplies, services, information technology, or construction from the purchasing procedures" of the South Carolina Consolidated Procurement Code.

Section 1122 of the National Defense Authorization Act of 1994 established the authority for State and Local governments to purchase law enforcement equipment through federal procurement channels provided the equipment is used in the performance of counter-drug activities. This authorization was codified at Section 381 of 10 USC 381. On June 21, 2000, the Budget and Control Board (Board) acting pursuant to the authority granted it by Section 11-35-710, granted an exemption "to allow all state law enforcement programs to procure law enforcement equipment and supplies for counter drug activities through Federal procurement channel under the United States Government's State and local Law Enforcement Equipment Procurement Program created by the National Defense Authorization Act of 1994 provided, however that the law enforcement agency must certify that the prices paid under this program are advantageous to the State."

The Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 amended Section 381 of 10 USC 381 to expand the procurement authority beyond counter-drug activities to include equipment for homeland security and emergency response activities. On January 31, 2017, the Authority expanded the exemption to allow all state law enforcement programs to procure law enforcement equipment and supplies for counter drug, homeland security, and emergency response activities. The Authority's expansion of this exemption included definitions for "State Law enforcement programs," "counter drug activities," "emergency response activities," and "homeland security activities." The Authority also added the following conditions:

1. When purchasing through Federal procurement channels under this exemption, the law enforcement agency must certify that the prices paid under this program are advantageous to the State.
2. For those items that are on a term contract awarded by the Division of Procurement Services, all state law enforcement programs must comply with the provisions of Section 11-35-310(35) before buying those items through Federal procurement channels.
3. Law enforcement agencies shall submit semi-annual reports of their acquisitions under this exemption to the Division of Procurement Services.

AGENCY: Division of Procurement Services

SUBJECT: Procurement Exemption for Law Enforcement Programs to Procure Supplies and Equipment for Homeland Security and Emergency Response Activities

4. The exemption shall sunset in five years unless reauthorized by the Authority.

Five years has passed since the Authority authorized this exemption and the State Law Enforcement Division (SLED) and Department of Natural Resources (DNR) asks the Authority to reauthorize this exemption.

AUTHORITY ACTION REQUESTED:

Under authority of SC Consolidated Procurement Code Section 11-35-710, reauthorize the Counter-Drug Procurement Exemption that was last reauthorized on January 31, 2017, and clarify the Exemption's definition of "state law enforcement programs" by amending it to read as follows: "State law enforcement programs" are the law enforcement programs of the State Law Enforcement Division, Department of Public Safety, and Department of Natural Resources.

ATTACHMENTS:

Agenda item worksheet and attachment

HENRY MCMASTER, CHAIR
GOVERNOR

CURTIS M. LOFTIS, JR.
STATE TREASURER

RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL



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J. GARY SIMRILL
CHAIRMAN, HOUSE WAYS AND MEANS COMMITTEE

GRANT GILLESPIE
EXECUTIVE DIRECTOR

5/20/2022

Delbert H. Singleton, Jr.
Director
Division of Procurement Services
6th Floor Wade Hampton Building
Columbia, South Carolina 29201

Subject: Procurement Exemption for Law Enforcement Programs to Procure Supplies and Equipment for Counter Drug, Homeland Security, and Emergency Response Activities

Dear Mr. Singleton,

After further review of a question asked regarding which state agencies can use the procurement exemption for law enforcement programs to procure supplies and equipment for counter drug, homeland security, and emergency response activities, I realized that the answer is not clear. The exemption includes a definition of "state law enforcement programs" which limits the use of the exemption to the:

programs of those agencies expressly charged by their enabling legislation with the enforcement of some or all of the criminal laws of this State and that employ law enforcement officers with a class one commission as defined by Regulation of the Criminal Justice Academy.

This definition includes the law enforcement programs of the State Law Enforcement Division (SLED), Department of Public Safety (DPS), and Department of Natural Resources (DNR) but may include others. For example, I just learned that the Forestry Commission has a statutorily authorized law enforcement program that may come with the exemption's definition of "state law enforcement programs."

To provide clarity about which agencies may use the exemption, I have modified Parts 4 and 5 of the agenda item worksheet to ask the Authority to reauthorize the exemption and clarify the Exemption's definition of "state law enforcement programs" by amending it to read as follows:

"State law enforcement programs" are the law enforcement programs of the State Law Enforcement Division, Department of Public Safety, and Department of Natural Resources.

We have no record of any other program using this exemption.

Sincerely

John St. C. White
Materials Management Office

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: 5/31/2022

Regular Agenda

1. Submitted by:

- (a) Agency: Division of Procurement Services
(b) Authorized Official Signature:


John St. C. White, Materials Management Officer

2. Subject: Other-Specify

Procurement Exemption for Law Enforcement Programs to Procure Supplies and Equipment for Homeland Security and Emergency Response Activities.

3. Summary and Background Information:

Section 11-35-710 authorizes the State Fiscal Accountability Authority (the "Authority") to "exempt specific supplies, services, information technology, or construction from the purchasing procedures" of the South Carolina Consolidated Procurement Code.

Section 1122 of the National Defense Authorization Act of 1994 established the authority for State and Local governments to purchase law enforcement equipment through federal procurement channels provided the equipment is used in the performance of counter-drug activities. This authorization was codified at Section 381 of 10 USC 381. On June 21, 2000, the Budget and Control Board (Board) acting pursuant to the authority granted it by Section 11-35-710, granted an exemption "to allow all state law enforcement programs to procure law enforcement equipment and supplies for counter drug activities through Federal procurement channel under the United States Government's State and local Law Enforcement Equipment Procurement Program created by the National Defense Authorization Act of 1994 provided, however that the law enforcement agency must certify that the prices paid under this program are advantageous to the State."

The Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 amended Section 381 of 10 USC 381 to expand the procurement authority beyond counter-drug activities to include equipment for homeland security and emergency response activities. On January 31, 2017, the Authority expanded the exemption to allow all state law enforcement programs to procure law enforcement equipment and supplies for counter drug, homeland security, and emergency response activities. The Authority's expansion of this exemption included definitions for "State Law enforcement programs," "counter drug activities," "emergency response activities," and "homeland security activities." The Authority also added the following conditions:

1. When purchasing through Federal procurement channels under this exemption, the law enforcement agency must certify that the prices paid under this program are advantageous to the State.
2. For those items that are on a term contract awarded by the Division of Procurement Services, all state law enforcement programs must comply with the provisions of Section 11-35-310(35) before buying those items through Federal procurement channels.
3. Law enforcement agencies shall submit semi-annual reports of their acquisitions under this exemption to the Division of Procurement Services.

4. The exemption shall sunset in five years unless reauthorized by the Authority.

Five years has passed since the Authority authorized this exemption and the State Law Enforcement Division (SLED) and Department of Natural Resources (DNR) asks the Authority to reauthorize this exemption.

4. **What is the Authority asked to do?** Pursuant to Code Section 11-35-710, reauthorize the Counter-Drug Procurement Exemption that was last reauthorized on January 31, 2017, and clarify the Exemption's definition of "state law enforcement programs" by amending it to read as follows: "State law enforcement programs" are the law enforcement programs of the State Law Enforcement Division, Department of Public Safety, and Department of Natural Resources.

5. **What is recommendation of the submitting agency involved?** Reauthorize the Counter-Drug Procurement exemption that was last authorized on January 31, 2017, and clarify the Exemption's definition of "state law enforcement programs" by amending it to read as follows: "State law enforcement programs" are the law enforcement programs of the State Law Enforcement Division, Department of Public Safety, and Department of Natural Resources.

6. **Private Participant Disclosure – Check one:**

☒ No private participants will be known at the time the Authority considers this agenda item.

☐ A Private Participant Disclosure form has been attached for each private participant.

As referenced on the Disclosure forms, a private participant is a natural person or non-governmental legal entity which may directly benefit from, and is participating in or directly associated with, the requested approval.

7. **Recommendation of other office (as required)?**

(a) Authorized Signature: _____

(b) Office Name: _____

8. **List of Supporting Documents:**

A - Sections 11-35-710

B – SFAA Green Agenda Item 3, Request for Expanded Counter Drug Program Exemption

C – SFAA Meeting Minutes granting the Request for Expanded Counter Drug Program Exemption

D - 10 USC 381

E – Request from the Department of Natural Resources and South Carolina Law Enforcement Division

F – Summary of procurements since January 31, 2017, under the current exemption

9. **Upload Agenda Item Worksheet and supporting documentation in PDF and native format to the SFAA Authority File Drop.**

Exhibit A

SECTION 11-35-710. Exemptions.

(A) The board, upon the recommendation of the chief procurement officer, may exempt governmental bodies from purchasing certain items through the respective chief procurement officer's area of responsibility. The board may exempt specific supplies, services, information technology, or construction from the purchasing procedures required in this chapter and for just cause by unanimous written decision limit or may withdraw exemptions provided for in this section. The following exemptions are granted from this chapter:

(1) the construction, maintenance, and repair of bridges, highways, and roads; vehicle and road equipment maintenance and repair; and other emergency-type parts or equipment utilized by the Department of Transportation or the Department of Public Safety;

(2) the purchase of raw materials by the South Carolina Department of Corrections, Division of Prison Industries;

(3) South Carolina State Ports Authority;

(4) Division of Public Railways of the Department of Commerce;

(5) South Carolina Public Service Authority;

(6) expenditure of funds at state institutions of higher learning derived wholly from athletic or other student contests, from the activities of student organizations, and from the operation of canteens and bookstores, except as the funds are used for the procurement of construction, architect-engineer, construction-management, and land surveying services;

(7) livestock, feed, and veterinary supplies;

(8) articles for commercial sale by all governmental bodies;

(9) fresh fruits, vegetables, meats, fish, milk, and eggs;

(10) South Carolina Arts Commission and South Carolina Museum Commission for the purchase of one-of-a-kind items such as paintings, antiques, sculpture, and similar objects. Before a governmental body procures the objects, the head of the purchasing agency shall prepare a written determination specifying the need for the objects and the benefits to the State. The South Carolina Arts Commission shall review the determination and forward a recommendation to the board for approval;

(11) published books, periodicals, and technical pamphlets;

(12) South Carolina Research Authority;

(13) the purchase of supplies, services, or information technology by state offices, departments, institutions, agencies, boards, and commissions or the political subdivisions of this State from the South Carolina Department of Corrections, Division of Prison Industries;

(14) Medical University Hospital Authority, if the Medical University Hospital Authority has promulgated a procurement process in accordance with its enabling provision;

(15) if approved in writing by the State Engineer in advance, and if some aspect of the overall transaction is otherwise approved by the board in advance of the acquisition, an acquisition of construction from an eleemosynary corporation or foundation, or a wholly owned business thereof, established solely for the governmental body's benefit, but only if the eleemosynary corporation or foundation acquires the construction on behalf of or for the use of the governmental body and does so pursuant to this code, as required by Section 11-35-40(4).

(B) The State Fiscal Accountability Authority shall maintain and post publicly a running list of all currently effective actions taken by the board pursuant to subsection (A).

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, January 31, 2017 -- 9:30 A. M.

Room 252, Edgar A. Brown Building

AGENDA INDEX

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C.	MEETING OF STATE FISCAL ACCOUNTABILITY AUTHORITY	
D.	ADOPTION OF PROPOSED AGENDA	
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G.	BLUE AGENDA	
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2.	Department of Administration, Real Property Services	Easement
3.	Department of Administration, Real Property Services	Real Property Conveyance – Naval Base Intermodal Facility
4.	Department of Administration, Real Property Services	Real Property Conveyance – Transfer of Surplus Armory
5.	Executive Director	Bank Account Transparency and Accountability
6.	Executive Director	Qualified Public Educational Facilities (2016 Volume Cap Carryforward)
7.	Executive Director	Revenue Bonds
8.	Executive Director	Economic Development – 2017 Ceiling Allocations
H.	REGULAR SESSION	
1.	Department of Administration, Executive Budget Office	Permanent Improvement Projects
2.	Department of Administration, Real Property Services	College of Charleston Lease Amendment at Harbor Walk
3.	Division of Procurement Services	Department of Natural Resources and South Carolina Law Enforcement Division, Procurement Exemption for Law Enforcement Programs to Procure Supplies and Equipment for Homeland Security and Emergency Response Activities
4.	State Fiscal Accountability Authority	Future Meeting

AGENCY: Division of Procurement Services

SUBJECT: Department of Natural Resources and South Carolina Law Enforcement Division,
Procurement Exemption for Law Enforcement Programs to Procure Supplies and
Equipment for Homeland Security and Emergency Response Activities

Section 11-35-710 authorizes the State Fiscal Accountability Authority (the "Authority") to "exempt specific supplies, services, information technology, or construction from the purchasing procedures" of the South Carolina Consolidated Procurement Code.

Section 1122 National Defense Authorization Act of 1994 established the authority for State and Local governments to purchase law enforcement equipment through federal procurement channels provided the equipment is used in the performance of counter-drug activities. On June 21, 2000, the Budget and Control Board (Board) acting pursuant to its authority under Section 11-35-710, granted an exemption "to allow all state law enforcement programs to procure law enforcement equipment and supplies for counter drug activities through Federal procurement channels under the United States Government's State and local Law Enforcement Equipment Procurement Program created by the National Defense Authorization Act of 1994 provided, however that the law enforcement agency must certify that the prices paid under this program are advantageous to the State."

The Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 amended 10 USC 381 to expand the procurement authority under Section 1122 beyond counter-drug activities to include equipment for homeland security and emergency response activities. The Department of Natural Resources and South Carolina Law Enforcement Division request an amendment to the Counter Drug Program exemption granted by the Board to also allow all state law enforcement programs to procure law enforcement equipment and supplies for homeland security, and emergency response activities through Federal procurement channels under the United States Government's State and local Law Enforcement Equipment Procurement Program created by the National Defense Authorization Act of 1994.

In order to provide clarity, the Division of Procurement Services recommends that any expansion of the Section 1122 Exemption include definitions of counter-drug, emergency, and homeland security activities and "state law enforcement programs." The Division also recommends a reporting requirement to compile information on the use of the exemption and an opportunity for the authority to evaluate this information and the benefits of the exemption by providing that the exemption shall sunset in five years unless reauthorized by the authority.

AGENCY: Division of Procurement Services

SUBJECT: Department of Natural Resources and South Carolina Law Enforcement Division, Procurement Exemption for Law Enforcement Programs to Procure Supplies and Equipment for Homeland Security and Emergency Response Activities

AUTHORITY ACTION REQUESTED:

Under authority of S.C. Code Section 11-35-710, approve the Department of Natural Resources' and South Carolina Law Enforcement Division's request for amendment of the Section 1122 Exemption to allow all state law enforcement programs to procure law enforcement equipment and supplies for counter drug, homeland security, and emergency response activities through Federal procurement channels under the United States Government's State and Local Law Enforcement Equipment Procurement Program created by the National Defense Authorization Act of 1994; provided, however, that the law enforcement agency must certify that the prices paid under this program are advantageous to the State. For those items that are on a term contract awarded by the Division of Procurement Services, all state law enforcement programs must comply with the provisions of Section 11-35-310(35) (10% rule) governing term contracts before buying those items through Federal procurement channels.

For purposes of this exemption, the following definitions shall apply:

"State law enforcement programs" are the programs of those agencies expressly charged by their enabling legislation with the enforcement of some or all of the criminal laws of this State and that employ law enforcement officers with a class one commission as defined by Regulation of the Criminal Justice Academy.

"Counter drug activities" are those law enforcement activities intended to disrupt the illegal drug market.

"Emergency response activities" are those activities necessitated by and performed in response to emergency declarations of the Governor or President.

"Homeland Security activities" are those activities associated with a concerted national effort to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize the damage and recover from attacks that do occur.

Agencies shall submit semi-annual reports of their acquisitions under this exemption to the Division of Procurement Services. This exemption shall sunset in five years unless reauthorized by the Authority.

ATTACHMENTS:

Agenda item worksheet; - Sections 11-35-710; Counter Drug Program Exemption; 10 USC 381; Request from the Department of Natural Resources and South Carolina Law Enforcement Division; Summary of procurements since 2011 under the current exemption

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

For meeting scheduled for: January 31, 2016

Green Agenda

1. Submitted by:

- (a) Agency: Division of Procurement Services
- (b) Authorized Official Signature


John St. C. White
Materials Management Officer

2. Subject:

Department of Natural Resources and South Carolina Law Enforcement Division, Procurement Exemption for Law Enforcement Programs to Procure Supplies and Equipment for Homeland Security and Emergency Response Activities

3. Summary Background Information:

Section 11-35-710 authorizes the State Fiscal Accountability Authority (the "Authority") to "exempt specific supplies, services, information technology, or construction from the purchasing procedures" of the South Carolina Consolidated Procurement Code.

Section 1122 National Defense Authorization Act of 1994 established the authority for State and Local governments to purchase law enforcement equipment through federal procurement channels provided the equipment is used in the performance of counter-drug activities. On June 21, 2000, the Budget and Control Board (Board) acting pursuant to its authority under Section 11-35-710, granted an exemption "to allow all state law enforcement programs to procure law enforcement equipment and supplies for counter drug activities through Federal procurement channels under the United States Government's State and local Law Enforcement Equipment Procurement Program created by the National Defense Authorization Act of 1994 provided, however that the law enforcement agency must certify that the prices paid under this program are advantageous to the State."

The Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 amended 10 USC 381 to expand the procurement authority under Section 1122 beyond counter-drug activities to include equipment for homeland security and emergency response activities. The Department of Natural Resources and South Carolina Law Enforcement Division request an amendment to the Counter Drug Program exemption granted by the Board to also allow all state law enforcement programs to procure law enforcement equipment and supplies for homeland security, and emergency response activities through Federal procurement channels under the United States Government's State and local Law Enforcement Equipment Procurement Program created by the National Defense Authorization Act of 1994.

In order to provide clarity, the Division of Procurement Services recommends that any expansion of the Section 1122 Exemption include definitions of counter-drug, emergency, and homeland security activities and "state law enforcement programs." The Division also recommends a reporting requirement to compile information on the use of the exemption and an opportunity for the authority to evaluate this information and the benefits of the exemption by providing that the exemption shall sunset in five years unless reauthorized by the authority.

4. What is Authority asked to do?

Under authority of S.C. Code Section 11-35-710, the Department of Natural Resources and South Carolina Law Enforcement Division ask the Authority to approve their request for amendment of the

Section 1122 Exemption to allow all state law enforcement programs to procure law enforcement equipment and supplies for counter drug, homeland security, and emergency response activities through Federal procurement channels under the United States Government's State and Local Law Enforcement Equipment Procurement Program created by the National Defense Authorization Act of 1994 provided, however, that the law enforcement agency must certify that the prices paid under this program are advantageous to the State. For those items that are on a term contract awarded by the Division of Procurement Services, all state law enforcement programs must comply with the provisions of Section 11-35-310(35) (10% rule) governing term contracts before buying those items through Federal procurement channels.

For purposes of this exemption, the following definitions shall apply:

State law enforcement programs are the programs of those agencies expressly charged by their enabling legislation with the enforcement of some or all of the criminal laws of this State and that employ law enforcement officers with a class one commission as defined by Regulation of the Criminal Justice Academy.

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Homeland Security activities are those activities associated with a concerted national effort to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize the damage and recover from attacks that do occur.

Agencies shall submit semi-annual reports of their acquisitions under this exemption to the Division of Procurement Services. This exemption shall sunset in five years unless reauthorized by the Authority.

5. What is recommendation of Authority division involved?

Consider the request for amendment to the Section 1122 Exemption by the Department of Natural Resources and South Carolina Law Enforcement Division.

6. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
(b) Division/Agency Name: _____

7. Supporting Documents:

- A - Sections 11-35-710
B - Counter Drug Program Exemption
C- 10 USC 381
D - Request from the Department of Natural Resources and South Carolina Law Enforcement Division
E - Summary of procurements since 2011 under the current exemption
-

MINUTES OF STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING

January 31, 2017 – 9:30 A. M.

The State Fiscal Accountability Authority (Authority) met at 9:30 a.m. on Tuesday, January 31, 2017, in Room 252 in the Edgar A. Brown Building, with the following members in attendance:

Governor Henry McMaster, Chair;
Mr. Curtis M. Loftis, Jr., State Treasurer;
Mr. Richard Eckstrom, Comptroller General;
Senator Hugh K. Leatherman, Sr., Chairman, Senate Finance Committee; and
Representative W. Brian White, Chairman, Ways and Means Committee.

Also attending were State Fiscal Accountability Authority Director Grant Gillespie; Authority General Counsel Keith McCook; Governor's Chief of Staff Trey Walker; Treasurer's Chief of Staff Clarissa Adams; Comptroller General's Chief of Staff Eddie Gunn; Senate Finance Committee Budget Director Mike Shealy; Ways and Means Chief of Staff Beverly Smith; Authority Secretary Delbert H. Singleton, Jr., and other State Fiscal Accountability Authority staff.

[Secretary's Note: The Authority met immediately following meetings of the State Educational Facilities Authority and the Tobacco Settlement Revenue Management Authority, the members of which are State Fiscal Accountability Authority members, ex officio.]

Adoption of Agenda for State Fiscal Accountability Authority

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Authority adopted the agenda as proposed.

Minutes of Previous Meeting

Upon a motion by Mr. White, seconded by Mr. Eckstrom, the Authority approved the minutes of the December 13, 2016, and December 29, 2016, Authority meetings.

Blue Agenda

Upon a motion by Mr. White, seconded by Mr. Eckstrom, the Authority approved blue agenda items #1, #2, #3, #4, #6, and #8 as noted herein.

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Authority voted

Additionally, the Colliers 2016 Q3 Research & Forecast Report indicates a current average asking rate of \$35.94/SF in downtown Charleston, and the CBRE Marketview Charleston Office, Q3 2016 Report shows an average rate of \$36.41/SF in the Charleston Business District.

Mr. Eckstrom asked how the College is tracking its emerging needs. He noted that it was four years ago that the base lease was approved for Harbor Walk and now the College is seeking expansion of that lease. He asked if additional concessions can be received from the owner. Stephen Osborne, Executive Vice President for Business Affairs, stated that they are always looking ahead in terms of where their market is going. He said in the area of computer science they have doubled the number of majors in the last three years. He stated that they have gone from 250 computer science majors to 500 and that they have had strong demand for computer science majors from the IT community.

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Authority, as recommended by the Department of Administration, Real Property Services, approved the proposed lease amendment for the College of Charleston to its current lease with R.E.R. Investments at Harbor Walk located at 360 Concord Street in downtown Charleston to add up to 3,000SF to accommodate the College's expanding Computer Science programs, which are located at Harbor Walk East at Harbor Walk. All Authority members with exception of Mr. Loftis voted for the motion. Mr. Loftis voted against the motion.

Information relating to this matter has been retained in these files and is identified as Exhibit 10.

Division of Procurement Services: Department of Natural Resources and South Carolina Law Enforcement Division, Procurement Exemption for Law Enforcement Programs to Procure Supplies and Equipment for Homeland Security and Emergency Response Activities (Regular Item #3)

Section 11-35-710 authorizes the State Fiscal Accountability Authority (the "Authority") to "exempt specific supplies, services, information technology, or construction from the purchasing procedures" of the South Carolina Consolidated Procurement Code.

Section 1122 National Defense Authorization Act of 1994 established the authority for State and Local governments to purchase law enforcement equipment through federal

procurement channels provided the equipment is used in the performance of counter-drug activities. On June 21, 2000, the Budget and Control Board (Board) acting pursuant to its authority under Section 11-35-710, granted an exemption “to allow all state law enforcement programs to procure law enforcement equipment and supplies for counter drug activities through Federal procurement channels under the United States Government’s State and local Law Enforcement Equipment Procurement Program created by the National Defense Authorization Act of 1994 provided, however that the law enforcement agency must certify that the prices paid under this program are advantageous to the State.”

The Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 amended 10 USC 381 to expand the procurement authority under Section 1122 beyond counter-drug activities to include equipment for homeland security and emergency response activities. The Department of Natural Resources and South Carolina Law Enforcement Division request an amendment to the Counter Drug Program exemption granted by the Board to also allow all state law enforcement programs to procure law enforcement equipment and supplies for homeland security, and emergency response activities through Federal procurement channels under the United States Government’s State and local Law Enforcement Equipment Procurement Program created by the National Defense Authorization Act of 1994.

In order to provide clarity, the Division of Procurement Services recommended that any expansion of the Section 1122 Exemption include definitions of counter-drug, emergency, and homeland security activities and “state law enforcement programs.” The Division also recommended a reporting requirement to compile information on the use of the exemption and an opportunity for the authority to evaluate this information and the benefits of the exemption by providing that the exemption shall sunset in five years unless reauthorized by the authority.

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Authority, under authority of S.C. Code Section 11-35-710, approved the Department of Natural Resources’ and South Carolina Law Enforcement Division’s request for amendment of the Section 1122 Exemption to allow all state law enforcement programs to procure law enforcement equipment and supplies for counter drug, homeland security, and emergency response activities through Federal procurement channels under the United States Government’s State and Local Law Enforcement Equipment Procurement Program created by the National Defense Authorization

Act of 1994; provided, however, that the law enforcement agency must certify that the prices paid under this program are advantageous to the State. For those items that are on a term contract awarded by the Division of Procurement Services, all state law enforcement programs must comply with the provisions of Section 11-35-310(35) (10% rule) governing term contracts before buying those items through Federal procurement channels.

For purposes of this exemption, the following definitions shall apply:

"State law enforcement programs" are the programs of those agencies expressly charged by their enabling legislation with the enforcement of some or all of the criminal laws of this State and that employ law enforcement officers with a class one commission as defined by Regulation of the Criminal Justice Academy.

"Counter drug activities" are those law enforcement activities intended to disrupt the illegal drug market.

"Emergency response activities" are those activities necessitated by and performed in response to emergency declarations of the Governor or President.

"Homeland Security activities" are those activities associated with a concerted national effort to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize the damage and recover from attacks that do occur.

Agencies shall submit semi-annual reports of their acquisitions under this exemption to the Division of Procurement Services. This exemption shall sunset in five years unless reauthorized by the Authority.

Information relating to this matter has been retained in these files and is identified as Exhibit 11.

Future Meeting

Upon a motion by Mr. White, seconded by Senator Leatherman, the Authority agreed to meet at 9:30 a.m. on Thursday, March 9, 2017, in Room 252, Edgar A. Brown Building.

Exhibit D

10 U.S.C. § 381

Sec. 381. Procurement of equipment by State and local governments through the Department of Defense: equipment for counter-drug, homeland security, and emergency response activities

(a) Procedures. - (1) The Secretary of Defense shall establish procedures in accordance with this subsection under which States and units of local government may purchase equipment suitable for counter-drug, homeland security, and emergency response activities through the Department of Defense. The procedures shall require the following:

(A) Each State desiring to participate in a procurement of equipment suitable for counter-drug, homeland security, and emergency response activities through the Department of Defense shall submit to the Department, in such form and manner and at such times as the Secretary prescribes, the following:

(i) A request for equipment.

(ii) Advance payment for such equipment, in an amount determined by the Secretary based on estimated or actual costs of the equipment and administrative costs incurred by the Department.

(B) A State may include in a request submitted under subparagraph (A) only the type of equipment listed in the catalog produced under subsection (c).

(C) A request for equipment shall consist of an enumeration of the law enforcement equipment that is desired by the State and units of local government within the State. The Governor of a State may establish such procedures as the Governor considers appropriate for administering and coordinating requests for law enforcement equipment from units of local government within the State.

(D) A State requesting equipment shall be responsible for arranging and paying for shipment of the equipment to the State and localities within the State.

(2) In establishing the procedures, the Secretary of Defense shall coordinate with the General Services Administration and other Federal agencies for purposes of avoiding duplication of effort.

(b) Reimbursement of Administrative Costs. - In the case of any purchase made by a State or unit of local government under the procedures established under subsection (a), the Secretary of Defense shall require the State or unit of local government to reimburse the Department of Defense for the administrative costs to the Department of such purchase.

(c) GSA Catalog. - The Administrator of General Services, in coordination with the Secretary of Defense, shall produce and maintain a catalog of equipment suitable for

counter-drug, homeland security, and emergency response activities for purchase by States and units of local government under the procedures established by the Secretary under this section.

(d) Definitions. - In this section:

(1) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and any territory or possession of the United States.

(2) The term "unit of local government" means any city, county, township, town, borough, parish, village, or other general purpose political subdivision of a State; an Indian tribe which performs law enforcement and emergency response functions as determined by the Secretary of the Interior; or any agency of the District of Columbia government or the United States Government performing law enforcement and emergency response functions in and for the District of Columbia or the Trust Territory of the Pacific Islands.

(3) The term "equipment suitable for counter-drug, homeland security, and emergency response activities" has the meaning given such term in regulations prescribed by the Secretary of Defense. In prescribing the meaning of the term, the Secretary may not include any equipment that the Department of Defense does not procure for its own purposes.

Exhibit E



South Carolina Law Enforcement Division

P.O. Box 21398
Columbia, South Carolina
29221-1398

Henry D. McMaster, Governor
Mark A. Keel, Chief

Tel: (803) 737-9000

March 7, 2022

Mr. John White, PE
Office Director and State Engineer
Division of Procurement Services
1201 Main St., Suite 600
Columbia, SC 29201

Dear Mr. White:


The South Carolina Law Enforcement Division (SLED) and the South Carolina Department of Natural Resources (SCDNR) are jointly requesting renewal of the 2017 clause in SC Code Section 11-35-710 that allows SLED and SCDNR to acquire equipment and supplies using federal procurement channels under the Federal 1122 Program. This program was originally established and authorized by Title 10, Section 381 of the US Code of Law. Items purchased using this program are used for counter-drug, emergency response, and homeland security activities.

Use of this program results in expedited procurements and cost savings to our agencies on items that are not on existing state contracts. Recently, SLED used the program to acquire emergency response trailers when numerous vendors that were contacted were unable to commit to a reasonable price or delivery date. Also, the purchase of a boat for port security operations resulted in a cost savings of \$12,149 to the agency.

There have been no changes to the Federal 1122 Program by the Federal Government since 2009. Regarding South Carolina, the only change has been the state point of contact for the program. It was moved from the Greenville County Sheriff's Office to SLED in 2020 at the direction of Governor Henry McMaster.

Please consider this request to extend the program for another five years or to remove the expiration altogether. Feel free to contact us if any additional information is needed.

Sincerely,


Mark A. Keel, Chief
South Carolina Law Enforcement Division


Robert H. Boyles, Jr., Director
South Carolina Department of Natural Resources



An Accredited Law Enforcement Agency





HENRY McMASTER
GOVERNOR

December 1, 2020

Mr. Alphonzo Horton
Headquarters, Department of the Army
Office of the Deputy Chief of Staff, G-4
Supply Directorate (DALO-SPE)
500 Army Pentagon (Suite 1D343)
Washington, D.C. 20310-0500

Dear Mr. Horton,

Please allow this correspondence to confirm that I have appointed Special Agent Gerard B. Cucurullo with the South Carolina Law Enforcement Division as the State Point of Contact (SPOC) for the administration of the 1122 Program (procurement of equipment through the Department of Defense and the General Services Administration for counter-drug, homeland security, and emergency response activities) in South Carolina.

Special Agent Cucurullo's responsibilities will include administering and coordinating all program activities with your office as well as providing or executing any pertinent documents that may be required to facilitate the administration of the 1122 Program. Additionally, as SPOC, Special Agent Cucurullo will validate counter-drug, homeland security, and emergency response procurement requests and ensure the availability of funds for such.

Special Agent Cucurullo's contact information is as follows:

Gerard B. Cucurullo
South Carolina Law Enforcement Division
LEO Asset Management/Supply
803-896-6311 – Office
803-260-5027 – Cell
803-545-0567 – Fax
gcucurullo@sled.sc.gov

Yours very truly

A handwritten signature in blue ink, appearing to read "Henry McMaster".

Henry McMaster

Cucurullo, Gerard

From: Goff, Jessica
Sent: Monday, March 7, 2022 12:33 PM
To: Cucurullo, Gerard

Counter Drug Program (1122 Program)

2000.06.21
2017.01.31
(amended)

"The Board, under the authority of Section 11-35-710 of the Consolidated Procurement Code, granted an exemption to allow all state law enforcement programs to procure law enforcement equipment and supplies for counter drug activities through Federal procurement channels under the United States Government's State and Local Law Enforcement Equipment Procurement Program created by the National Defense Authorization Act of 1994 provided, however, that the law enforcement agency must certify that the prices paid under this program are advantageous to the State."

(2017 Amendment—for DNR & SLED only) "[T]he Authority, under authority of S.C. Code Section 11-35-710, approved the Department of Natural Resources' and South Carolina Law Enforcement Division's request for amendment of the Section 1122 Exemption to allow all state law enforcement programs to procure law enforcement equipment and supplies for counter drug, homeland security, and emergency response activities through Federal procurement channels under the United States Government's State and Local Law Enforcement Equipment Procurement Program created by the National Defense Authorization Act of 1994; provided, however, that the law enforcement agency must certify that the prices paid under this program are advantageous to the State. For those items that are on a term contract awarded by the Division of Procurement Services, all state law enforcement programs must comply with the provisions of Section 11-35-310(35) (10% rule) governing term contracts before buying those items through Federal procurement channels.

For purposes of this exemption, the following definitions shall apply:

'State law enforcement programs' are the programs of those agencies expressly charged by their enabling legislation with the enforcement of some or all of the criminal laws of this State and that employ law enforcement officers with a class one commission as defined by Regulation of the Criminal Justice Academy.

'Counter drug activities' are those law enforcement activities intended to disrupt the illegal drug market.

'Emergency response activities' are those activities necessitated by and performed in response to emergency

[1] The 1122 "Counterdrug" Program is for purchasing equipment for counterdrug activities. Participation by state and local governments is authorized by Title 10, Section 381 of the US Code of Laws (Public Law 103-160). The US General Services Administration publishes a catalog which explains the 1122 Program and delineates those products which may be procured under the program. Each participating state must designate a State Point Of Contact (SPOC) to administer the state's activities under the program. SPOCs are responsible for receiving all orders from state and local law enforcement entities and for determining that the items will be used for counterdrug activities. Additional information regarding the program, as well as the catalog, are available at

<http://www.gsa.gov/1122program>

[2] Governor Campbell named the Greenville County Sheriff's Department as South Carolina's SPOC.

[3] Amended in 2017 after "the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 amended 10 USC 381 to expand the procurement authority under 1122 beyond counter-drug activities to include equipment for homeland security and emergency response activities."

[4] The 2017 amendment only applies to DNR and SLED.

[5] Unless reauthorized by the Authority, the exemption expires in five years.

South Carolina Department of Natural Resources



DNR

**Alvin A. Taylor
Director**

September 21, 2016

Mr. John White, PE
Materials Management Officer
Division of Procurement Services
1201 Main St., Suite 600
Columbia, SC 29201

Dear Mr. White,

Section 1122 of the National Defense Authorization Act for Fiscal Year 1994 established the authority for State and local governments to purchase law enforcement equipment through Federal procurement channels, provided that the equipment is used in the performance of counter-drug activities. The "1122 Program" affords State and local governments the opportunity to maximize their use of taxpayer dollars by taking advantage of the purchasing power of the Federal Government to receive discounts commensurate with large volume purchases.

As a result, on 6/21/2000, an exemption from the SC Procurement Code was granted for the Counter Drug Program (1122 Program). This exemption allows all state law enforcement programs to procure supplies and equipment for counter-drug activities through the 1122 Program as it was originally established and authorized by Title 10, Section 381 of the US Code of Laws.

However, the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 amended 10 U.S.C. 381, to expand the procurement authority under the 1122 Program beyond counter-drug activities, to include equipment for homeland security and emergency response activities. Since the exemption has not been amended to include these additional activities, currently it is not in coherence with the Federal law.

Therefore, the South Carolina Department of Natural Resources and the South Carolina Law Enforcement Division are jointly requesting that the State Fiscal Accountability Authority (SFAA) consider, at minimum, expanding the exemption to include these additional activities which would provide for consistency between the State exemption and the current Federal law. In addition, we request the SFAA consider including some terminology that would allow the exemption to automatically update as amendments are made to the 1122 Program in the future.

Your consideration in this matter would be greatly appreciated. Please do not hesitate to contact us if you need additional information.

Sincerely,

Alvin A. Taylor, Director
South Carolina Department of Natural Resources

Mark Keel, Chief
South Carolina Law Enforcement Division

Exhibit F

SLED- GSA SPREADSHEET

Provided by : Jessica Goff, Procurement Specialist II and Wendy Threlkeld

As of 4/8/22

Item No.	PO Number	PO Date	Vendor Name	Item Description	Amount
1	4600500667	9/8/2021	Munson Boat	Boat for EOD Team and Maritime Unit	\$ 486,409.00
2	4600867521	1/13/2021	EOD	EOD Response Trailers for EOD Team	\$ 71,975.28
Amount					<u>\$ 558,384.28</u>

DNR - GSA SPREADSHEET
Provided by : Valaried Duncan
As of 4/8/22

Item No.	PO Number	PO Date	Vendor Name	Item Description	Commodity Code (1st 3 digit of NIGP code)	Amount	Processed By	NOTES
1	4600550354	2/27/2017	Central Power Systems	30KW Generator	690	\$14,125.22	DLO	
2	4600552254	3/8/2017	ADS Inc	Bomber jackets & bib pants	200	\$18,702.22	DLO	
3	4600567531	5/26/2017	Potomac River Group	Night vision goggles	680	\$18,630.35	DLO	
4	4600601192	10/25/2017	H L Dalis	Garmin GPS	55	\$8,723.88	DLO	
5	4600605899	11/20/2017	Contender Boats	Boats	120	\$195,019.32	DLO	
6	4600607735	12/4/2017	Kpaul	Generator for Webb	690	\$33,323.67	AB	
7	4600608910	12/8/2017	Landfall Navigation	Clothing supplies	200	\$21,050.47	DLO	
8	4600619128	2/15/2018	BRP US Inc	Boat motor	120	\$17,371.89	DLO	
9	4600621327	2/28/2018	Computech	Ethernet tester	204	\$9,920.92	DLO	
10	4600621328	2/28/2018	HL Dalis	Garmins	055	\$4,358.00	DLO	
11	4600626379	3/27/2018	Suzuki Motor	Boat motors	120	\$25,422.65	DLO	
12	4600612887	1/11/2018	Landfall Navigation	Clothing supplies	200/936	\$7,845.95	AMS	
13	4600662677	9/20/2018	17TH STREET PHOTO	Night Vision Goggles	680	\$7,398.00	DLO	
14	4600663862	9/25/2018	A2Z SUPPLY CORP	Monoculars	680	\$10,785.00	AMS	
15	4600662505	9/20/2018	The GPS Store	Furuno	680	\$2,272.30	AMS	
16	4600670742	10/31/2018	Clyde Armor	Patrol rifle scopes	680	\$103,085.00	DLO	
17	4600671407	11/5/2018	Quantico Tactical	Patrol rifle slings	680	\$9,333.30	DLO	
18	4600672994	11/14/2018	Suzuki Motor	Boat motor	120	\$25,445.41	DLO	
19	4600672995	11/14/2018	Suzuki Motor	Boat motor	120	\$32,465.67	DLO	
20	4600674274	11/16/2018	San Diego Ocean	Diving equipment	120	\$5,255.45	DLO	
21	4600676205	12/6/2018	The GPS Store	Marine Radio	725	\$3,057.60	AMS	
22	4600676480	12/7/2018	17th Street Photo	Night Vision Goggles	680	\$4,938.00	AMS	
23	4600679354	1/2/2019	17th Street Photo	Night vision goggles	680	\$9,196.00	DLO	
24	4600701411	5/1/2019	17th Street Photo	Night vision goggles	680	\$4,598.00	DLO	
25	4600707809	6/6/2019	The GPS Store	Garmin	55	\$4,151.63	DLO	
						Amount	\$596,475.90	
						Count	25	

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF May 31, 2022

ITEM NUMBER 14

AGENCY: Patriots Point Development Authority

SUBJECT: Report Regarding Lease to Patriots Annex, LLC

On October 5, 2017, the State Fiscal Accountability Authority (the Authority) approved a lease agreement between Patriots Point Development Authority (PPDA) and Patriots Annex, LLC. The approval required PPDA to submit a report to the Authority each year prior to March 31 regarding the status of the proposed lease. The attached report, dated March 28, 2022, provides an update on the status of the development.

AUTHORITY ACTION REQUESTED:

Receive as information a report from Patriots Point Development Authority updating the status of the Patriots Point Annex development.

ATTACHMENTS:

3/28/2022 Letter from Rorie Carter, Executive Director, PPDA

PATRIOTS POINT

★HOME OF THE USS YORKTOWN★

March 28, 2022

Mr. Grant Gillespie
Executive Director
State Fiscal Accountability Authority
P. O. Box 12444
Columbia, SC 29211

Dear Mr. Gillespie,

The State Fiscal Accountability Authority approved a lease agreement between Patriots Point Development Authority and Patriots Annex LLC on October 5, 2017. The attached report provides an update on the status of this development. This same report has been submitted to the Joint Bond Review Committee. The report is in the format previously provided by JBRC with our updates annotated after each item.

Sincerely,



Rorie Cartier, PhD.
Executive Director

cc:

Mr. Wayne Adams, Interim Chairman, PPDA Board of Directors (via E-mail)
Mr. William Craver, Esq., PPDA Legal Counsel (via E-mail)
Mr. Terry Ansley, PPDA Director of Property Manager, (via E-mail)

**Annual Report to JBRC and SFAA
Lease Between Patriots Point Development Authority and Patriots Annex, LLC
(as of March 2022)**

I. Financial Information

A. A report concerning the amount of Rent generated by the Lease in the prior 12 months, including:

- (1) The amount of Minimum Rent received; and**
- (2) The amount of Percentage Rent received, broken down into the various categories of Percentage Rent. The Percentage Rent will be further broken down to show how much Percentage Rent is being generated by each improvement on the property**
- (3) PPDA's use/expenditure of the revenue received in the prior 12 months, including carry-forward balances.**

PPDA Response: In accordance with the provisions of the Lease and applicable time tables, monthly rent payments have been due and payable for the last 12 months. Minimum Rent and Additional Rent due in the 12 months from April 2021 through March 2022 total \$290,088.25, all of which has been paid at the time of this report. Monthly Rent in this stage of the Lease is Minimum Rent based on Fair Market Rent with no Percentage Rent being payable until the applicable percentages of Gross Sales from the Premises exceed Minimum Rent. At this point, there are no Gross Sales. All Rents received by PPDA under the Lease with Patriots Annex, LLC are being used in the general budget for ongoing Patriots Point operations.

B. A projection of the Rent PPDA expects the Lease to generate in the next 12 months.

PPDA Response: Per the terms of the Lease, rent is currently being paid at 40% of Fair Market Rent (FMR) for the year October 5, 2021 through October 4, 2022. FMR was pre-determined through formal appraisals and is adjusted annually with CPI increases. For the 6 month period April 1 – September 30,

2022, rent will be due at a rate of \$28,246.59 per month. On October 1, 2022, Fair Market Rent will be increased by the change in CPI, conservatively anticipated to be approximately 4% or half of that experienced from March 2021 to March 2022. Minimum Rent for the period October 1, 2022 – September 30, 2023 will be paid at 50% of Fair Market Rent. The resulting monthly payments of \$36,720.56 will be due for the 6 month period October 1, 2022 – March 31, 2023. The combined total rent expected to be received over the 12 month period April 1, 2022 – March 31, 2023 is estimated to be \$389,802.90.

- C. An estimate of the local and state tax revenue generated by the activity on the Premises during the prior 12 months.

PPDA Response: No revenue-producing Gross Sales have occurred on the Premises that would generate sales or hospitality taxes. Property taxes have been paid in the amount of \$9,632.00, along with Storm Water Fees of \$3,653.39.

- D. An estimate of the number of people employed by the businesses operating on the Premises.

PPDA Response: None. No businesses are operating on the Premises.

II. Development

- A. An overview of the current Master Plan (or Conceptual Master Plan if no Master Plan is in place yet), including any subdivision of the Premises approved by PPDA in the prior 12 months.

PPDA Response: The Conceptual Master Plan that was prepared in accordance with the Lease and unanimously approved by the PPDA Board on March 15, 2019 remains in place and unchanged.

- B. The status of each project shown on the Master Plan (or Conceptual Master Plan), including:

- (1) The status of Mt. Pleasant and/or Charleston County approvals required to commence construction.

PPDA Response: The Town of Mount Pleasant has previously approved Waterfront Gateway District zoning, impact assessment, building heights within the Premises, a Development Agreement, and a fee-in-lieu-of-taxes agreement for elements of the Conceptual Master Plan. Patriots Annex, LLC has all of the approvals necessary to proceed with the Town of Mount Pleasant's design review process and will be working within new meeting and presentation schedules and protocols.

(2) The status of any improvements currently under construction.

PPDA Response: No construction is underway at this time. Design work continues to be prepared for the master infrastructure systems to support the entire development.

(3) The status of any improvements completed and operational within the prior 12 months.

PPDA Response: None.

(4) Any change in the status of operating improvements.

PPDA Response: None.

(5) The status of any major repairs or renovations to improvements that required PPDA's approval in the prior 12 months.

PPDA Response: None.

C. An update concerning the Lease's various development-related deadlines.

PPDA Response: The "Lease Commencement Date" was October 5, 2017, when SFAA approved and signed the Lease.

The "Inspection Period" ended on January 17, 2020, when the final negotiated agreement with Charleston County was fully-executed.

The "Minimum Rent Commencement Date" was October 5, 2020.

The deadline for "Commencement of Construction" is January 17, 2023.

D. Milestones expected in the upcoming 12 months.

PPDA Response: PPDA expects Patriots Annex, LLC to complete the design and approval process to begin construction on a temporary parking lot during 2022 and ahead of the deadline for Commencement of Construction of January 17, 2023. Patriots Annex, LLC expects to continue the design and approval process for infrastructure improvements and to commence the design review process for Phase 1 construction with the Town of Mount Pleasant.

E. An update concerning the PPDA improvements affected by the Lease, including:

(1) Any improvements vacated by PPDA in the prior 12 months.

PPDA Response: PPDA has begun vacating office trailers in order to clear a pedestrian access corridor from the planned temporary parking lot to the pier head and Patriots Point Naval and Maritime Museum.

(2) The status of any improvements currently being relocated or constructed.

PPDA Response: None at this time.

(3) The status of any improvements, the relocation or construction of which was completed in the prior 12 months.

PPDA Response: None.

(4) An update concerning the various deadlines for PPDA to vacate or relocate its improvements affected by the Lease.

PPDA Response: PPDA continues to use a portion of the Premises for the operation and support of its museums and administrative functions. At Lease Commencement, the portions of the property used by PPDA for its operations were excluded from the Premises, and Patriots Annex, LLC is not responsible for paying rent with regard to that land. Patriots Annex, LLC's initial plans will include construction of infrastructure systems to support the overall development plan for Patriots Annex, LLC. Prior to commencement of construction, Patriots Annex, LLC will give PPDA a required notice, after which time PPDA will be obligated to relocate the specific use, and that portion of the Premises will be added to the leased Premises. Any relocation by PPDA to other portions of the Premises will cause those portions of the

Premises to be deleted for rent purposes. PPDA and Patriots Annex, LLC continue to have ongoing dialogue regarding expectations for anticipated notices and construction. Discussions include alternative locations and options for PPDA facilities.

Current Primary Landlord Facility. Patriots Annex, LLC must give PPDA 12 months prior notice of the anticipated date for commencement of construction and update this estimate quarterly. PPDA must vacate its current primary facility *no sooner than* 3 years after the commencement of the Lease (October 5, 2020), but *no later than* 3 months after Patriots Annex, LLC actually commences construction of the first improvements on the Premises. PPDA has not received the 12 months prior notice of the anticipated date for commencement of construction.

Pier Facility. PPDA's current pier facility is located at the head of the pier leading to the Yorktown. PPDA's new pier facility will be located in approximately the same location and will also include some of the land between the head of the pier and the PPDA's new primary facility. The Landlord Pier Boardwalk is the only new element of the PPDA's pier facilities. If the Conceptual Master Plan and the Master Plan include the Tenant Pier Boardwalk and the Landlord Pier Boardwalk, PPDA has 30 days from receipt of the notice of the anticipated date for the Commencement of Construction of the first phase of improvements to be constructed on the Premises to commence the process required by South Carolina law for PPDA to obtain approval from the applicable State authorities for PPDA to construct the Landlord Pier Boardwalk. PPDA shall have constructed the Landlord Pier Boardwalk as of the later of (i) six (6) months after the Current Primary Landlord Facility Vacancy Deadline, (ii) twelve (12) months after PPDA receives approval for construction of the Landlord Pier Boardwalk, or (iii) a later date agreed to by PPDA and Patriots Annex, LLC to coordinate Landlord's construction of the Landlord Pier Boardwalk with Patriots Annex, LLC's construction schedule. PPDA has not received 12 months prior notice of the anticipated date for commencement of construction.

PPDA's storage and maintenance facility and PPDA's Vietnam Support Base exhibit. These two facilities are going to be relocated onto Parcel 2A, which is currently subject to a conservation easement that lasts until at least June 1, 2023. There has been no change in the prior 12 months.

PPDA's personnel parking and PPDA's visitor parking. Relocation of these parking facilities has not yet commenced, though the location has been established.

III. Legal/Miscellaneous.

- A. An overview of any Sublease or Subparcel Sublease transfers that have occurred in the prior 12 months.

PPDA Response: None.

- B. An overview of any tenant equity interest transfers that have occurred in the prior 12 months.

PPDA Response: None.

- C. Any changes in the status of the Conservation Easement or the Federal Land Water Conservation Fund restrictions.

PPDA Response: None.

- D. Any update concerning all loans secured by the leasehold estate.

PPDA Response: No loans are currently in place.

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF May 31, 2022

ITEM NUMBER 15

AGENCY: Clemson University

SUBJECT: Not Exceeding \$45,000,000 General Obligation State Institution Bonds, Series 2022 of Clemson University

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$45,000,000 General Obligation State Institution Bonds, Series 2022 of Clemson University.

The proceeds of the bonds will defray the cost to construct, improve, and furnish a new alumni center facility and related improvements and infrastructure on the campus of Clemson University.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$45,000,000 General Obligation State Institution Bonds, Series 2022 of Clemson University.

ATTACHMENTS:

Pope 4/14/2022 letter; SFAA Resolution; NDIF



Pope Flynn, LLC
1111 Gervais Street, Suite 300
Post Office Box 11509 (29211)
Columbia, SC 29201
MAIN 803.354.4900
FAX 803.354.4899
www.popeflynn.com

April 14, 2022

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 \$45,000,000 of General Obligation State Institution Bonds (Issued on Behalf of Clemson University) of the State of South Carolina

Dear Delbert:

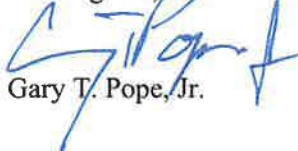
On behalf of Clemson University, in connection with the authorization of the above-referenced bonds (the "Bonds"), and in anticipation of the South Carolina State Fiscal Accountability Authority (the "Authority") meeting scheduled for May 24, 2022, we respectfully enclose the following for consideration by the Authority:

1. Bond Transmittal Form;
2. a resolution adopted by the Board of Trustees of Clemson University on February 2, 2022, making application to the Authority in connection with the Bonds;
3. a proposed form of opinion of Bond Counsel; and
4. 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: Robert Macdonald, Director Debt Management Division, Office of State Treasurer
Rick Petillo, Chief Financial Officer, Clemson University
Enclosures



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 05/31/22

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: H12 Issuer: State of South Carolina Series: 2022
 Borrower (if not Issuer): Clemson University
 Bond Caption: General Obligation State Institution Bonds (Issued on Behalf of Clemson University)
 Bond Resolution Amount: \$ 45,000,000 Est. Production/Par Amt: \$ 38,805,000
 Final Production/Par Amt: \$ -

Submitted By:

ENTITY: Clemson University
 BY: Rick Petillo
 ITS: Chief Financial Officer
 Tel: 864-656-2591
 Email: rpetill@clemson.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: Office of State Treasurer

2. FINANCING (NEW PORTION)

Project #: H12-9951 Project Name: Development and Alumni Center Building
 Project Address/Location: Main Campus, Clemson University Amount: \$ 44,000,000
 Project Type: Construct Additional Facilities County: Pickens
 Projected Avg Interest Rate: 3.242% (All-In TIC) Final Maturity: 04/01/42

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: PRAG Disclosure Counsel: Howell Linkous
 Bond Counsel: Pope Flynn, LLC Issuer's Counsel: SC Attorney General
 Underwriter: TBD - Competitive Sale Trustee: N/A
 Paying Agent: US Bank Other: N/A

5. FINANCING/PROJECT DESCRIPTION

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

The bonds will provide proceeds necessary to defray the costs of constructing, improving, and furnishing a new alumni center facility and related improvements and infrastructure on the campus of the University, and to pay the costs of issuance thereof. Costs of issuance of the bonds are calculated at the anticipated par amount of \$38.8 million 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. Costs of issuance as listed in Section 8 and Section 9 assume a stand-alone issuance. It is the intention of the Office of State Treasurer to issue the bonds as part of a larger transaction to reduce costs.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:	Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower Approval:	02/02/22	Adopted	Issuer/Borrower Approval:	02/02/22	Adopted
JBRC Approval:	05/17/22	Proposed	JBRC Approval:	05/17/22	Proposed
SFAA Approval:	05/31/22	Proposed	SFAA Approval:	05/31/22	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?

☐ ☒ X

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

Sq. Footage -
Cost Estimate - \$0

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

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ 2,469,652	6/30/2023	Reimbursement + First 6 months Construction+ COI
14,475,000	6/30/2023	2nd 6 months of construction
20,327,000	6/30/2024	3rd 6 months of construction
7,115,250	6/30/2025	4th 6 months of construction
\$ 44,386,902		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 38,805,000	\$ 56,000,000	Project Fund
(b) Premium/Accr. Int.	5,581,902	-	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	12,000,000	-	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	-	-	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	-	386,902	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)	-	-	Accrued Interest
Type -	-	-	Other
Type -	-	-	Other
(6) SCHFDA MFHRB Sources	-	-	Other
(a) LIHTC	-	-	Other
(a) State Housing TC	-	-	Other
(c) Owner's Equity/Other	-	-	Other
Total Project Sources	\$ 56,386,902	\$ 56,386,902	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	\$ -	\$ 35,000
Bond Counsel	Pope Flynn, LLC			25,000	-	25,000
Disclosure Counsel	Howell Linkous & Nettles			25,000	-	25,000
Issuer's Counsel				-	-	-
Underwriter's Counsel				-	-	-
Transaction Counsel				-	-	-
Legal Expenses				-	-	-
				-	-	-
Rating Agency - S&P				35,000	-	35,000
Rating Agency - Moody's				26,500	-	26,500
Rating Agency - Fitch				27,000	-	27,000
Underwriter's Compensation	TBD - Competitive			194,025	-	194,025
Registrar / Paying Agent	U.S. Bank National Assoc.			10,000	-	10,000
Escrow Agent				-	-	-
Accountant				-	-	-
Verification Agent				-	-	-
Printing	Image Master			3,000	-	3,000
Publishing	IPREO			1,500	-	1,500
Advertising	Bond Buyer			1,500	-	1,500
Contingency				3,377	-	3,377
Issuer's Fee	SC JEDA / SC SHFDA			-	-	-
				\$ 386,902	\$ -	\$ 386,902

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

Financial Advisor: % of Transaction

Bond Counsel: % of Transaction

Total Legal Costs: % of Transaction

Rating Agencies: % of Transaction

0.09%	#DIV/0!
0.06%	#DIV/0!
0.13%	#DIV/0!
0.23%	#DIV/0!

UW Comp: % of Transaction

Other COI: % of Transaction

Total COI: % of Transaction

0.50%	#DIV/0!
0.05%	#DIV/0!
1.00%	#DIV/0!

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING FORTY-FIVE MILLION DOLLARS (\$45,000,000) 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.

BOND RESOLUTION

Adopted May 24, 2022

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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

EXHIBIT B Schedule of Tuition Fees

EXHIBIT C Pro Forma Debt Service Requirements of Not Exceeding \$45,000,000 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 Clemson University Including the Proposed Issue of \$45,000,000 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 FORTY-FIVE MILLION DOLLARS (\$45,000,000) 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 February 2, 2022 (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 \$45,000,000 to provide funds: (i) to defray the costs of constructing, improving, and furnishing a new alumni center facility and related improvements and infrastructure on the campus of the University; (ii) to reimburse the University for expenses incurred in anticipation of the issuance of such State Institution Bonds ((i) and (ii), collectively, the "Project"); and (iii) to 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 Forty-Five Million Dollars (\$45,000,000) 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 \$45,000,000, 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 \$186,570,000 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, 2021, 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, 2021;
- (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 \$231,570,000.*

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 \$45,000,000 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 \$45,000,000 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 Forty-Five Million Dollars (\$45,000,000) aggregate principal amount of general obligation bonds of the State, designated "General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2021." 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 \$45,000,000. 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:

- (1) all Bonds of the same maturity shall bear the same rate of interest;
- (2) no rate of interest named shall be more than five (5.00) percentage points;
- (3) a zero (0.0) percentage point rate of interest is not permitted;
- (4) each interest rate named shall be a multiple of 1/8th or 1/20th of one (1) percentage point;
and
- (5) 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 \$45,000,000 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 Paying Agent or 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 Paying Agent or 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 Paying Agent or 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 Paying Agent or 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 Paying Agent or 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 Paying Agent or 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 depository for, and permit any of its officers or directors to effect or aid in, any reorganization growing out of the enforcement of the Bonds or this Resolution.

Section 8.06 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, 2022	\$ 2,255,000	\$ 708,475	\$ 2,963,475
June 30, 2023	11,530,000	7,082,763	18,612,763
June 30, 2024	12,110,000	6,506,263	18,616,263
June 30, 2025	12,715,000	5,900,763	18,615,763
June 30, 2026	13,350,000	5,265,013	18,615,013
June 30, 2027	14,005,000	4,615,063	18,620,063
June 30, 2028	14,595,000	4,019,463	18,614,463
June 30, 2029	15,195,000	3,415,913	18,610,913
June 30, 2030	15,265,000	3,043,825	18,308,825
June 30, 2031	15,405,000	2,400,125	17,805,125
June 30, 2032	11,010,000	1,844,269	12,854,269
June 30, 2033	11,195,000	1,509,294	12,704,294
June 30, 2034	11,395,000	1,164,231	12,559,231
June 30, 2035	9,215,000	808,319	10,023,319
June 30, 2036	9,340,000	528,200	9,868,200
June 30, 2037	5,815,000	239,700	6,054,700
June 30, 2038	835,000	65,250	900,250
June 30, 2039	860,000	40,200	900,200
June 30, 2040	480,000	14,400	494,400
Total	\$ 186,570,000	\$ 49,171,525	\$ 235,741,525

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	184
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, 2021, the amount of receipts designated as tuition for state institution bonds purposes was not less than the sum of \$50,388,525. The tuition and fees generated for the 2021 summer term are not included.

The maximum principal and interest debt service payment prior to the issuance contemplated herein is \$18,620,063, which occurs in the fiscal year ending June 30, 2027.

The maximum principal and interest debt service payment after the issuance contemplated herein is anticipated to be \$22,054,361*, which is anticipated to occur in the fiscal year ending June 30, 2027.

* Preliminary, subject to change.

EXHIBIT C

CLEMSON UNIVERSITY
 PRO-FORMA DEBT SERVICE REQUIREMENTS OF
 NOT EXCEEDING \$45,000,000 STATE OF SOUTH CAROLINA
 GENERAL OBLIGATION STATE INSTITUTION BONDS,
 COMPUTED AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	New Issue Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ 1,485,000	\$ 1,434,340	\$ 2,919,340
June 30, 2024	1,790,000	1,646,324	3,436,324
June 30, 2025	1,845,000	1,592,087	3,437,087
June 30, 2026	1,900,000	1,534,339	3,434,339
June 30, 2027	1,960,000	1,474,299	3,434,299
June 30, 2028	2,025,000	1,411,579	3,436,579
June 30, 2029	2,090,000	1,346,374	3,436,374
June 30, 2030	2,160,000	1,277,613	3,437,613
June 30, 2031	2,230,000	1,205,469	3,435,469
June 30, 2032	2,305,000	1,130,318	3,435,318
June 30, 2033	2,385,000	1,051,487	3,436,487
June 30, 2034	2,470,000	964,673	3,434,673
June 30, 2035	2,565,000	870,319	3,435,319
June 30, 2036	2,665,000	768,488	3,433,488
June 30, 2037	2,775,000	659,490	3,434,490
June 30, 2038	2,895,000	543,217	3,438,217
June 30, 2039	3,015,000	419,022	3,434,022
June 30, 2040	3,150,000	287,266	3,437,266
June 30, 2041	3,290,000	147,721	3,437,721
Total	\$ 45,000,000	\$ 19,764,419	\$ 64,764,419

* 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 CLEMSON UNIVERSITY
 INCLUDING THE PROPOSED ISSUE OF
 FORTY-FIVE MILLION DOLLARS (\$45,000,000)
 OF GENERAL OBLIGATION STATE INSTITUTION BONDS,
 AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	Combined Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2022	\$ 2,255,000	\$ 708,475	\$ 2,963,475
June 30, 2023	13,015,000	8,517,102	21,532,102
June 30, 2024	13,900,000	8,152,587	22,052,587
June 30, 2025	14,560,000	7,492,850	22,052,850
June 30, 2026	15,250,000	6,799,351	22,049,351
June 30, 2027	15,965,000	6,089,361	22,054,361
June 30, 2028	16,620,000	5,431,041	22,051,041
June 30, 2029	17,285,000	4,762,286	22,047,286
June 30, 2030	17,425,000	4,321,438	21,746,438
June 30, 2031	17,635,000	3,605,594	21,240,594
June 30, 2032	13,315,000	2,974,586	16,289,586
June 30, 2033	13,580,000	2,560,780	16,140,780
June 30, 2034	13,865,000	2,128,904	15,993,904
June 30, 2035	11,780,000	1,678,637	13,458,637
June 30, 2036	12,005,000	1,296,688	13,301,688
June 30, 2037	8,590,000	899,190	9,489,190
June 30, 2038	3,730,000	608,467	4,338,467
June 30, 2039	3,875,000	459,222	4,334,222
June 30, 2040	3,630,000	301,666	3,931,666
June 30, 2041	3,290,000	147,721	3,437,721
Total	\$ 231,570,000	\$ 68,935,944	\$ 300,505,944

* 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, 2021	\$ 50,388,525
Multiplied by	90%
Produces	\$ 45,349,672
Maximum annual debt service on all State Institution Bonds of the University (including the proposed issue of not exceeding Forty-Five Million Dollars (\$45,000,000) General Obligation State Institution Bonds issued on behalf of the University)	\$ 22,054,361*
Margin	\$ 23,295,311

* Preliminary, subject to change.

(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>
	____ 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 _____ million 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, as supplemented by Sections 11-27-30 and 11-29-30 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 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.

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 Sections 11-27-30 and 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 thereof ("Dated Date") expected to be on or about _____, 20__, and bear interest at a rate or rates to be named by the successful bidder (the "Purchaser"). 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 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>
---------	--------------------------	---------	--------------------------

* Subject to adjustment as set forth herein.

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 which 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 schedules and the final aggregate principal amounts of the Bonds (the "Final Amounts") to achieve the State's debt service objectives. The Purchaser 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 Purchaser 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 for the Bonds of the winning bid and the Initial Reoffering Prices. The interest rate specified by the Purchaser for each maturity of the Bonds at the Initial Reoffering Prices for such maturity will not change.

The Final Amounts and the adjusted purchase price will be communicated to the Purchaser 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 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., via email at dforman@pragadvisors.com and mconley@pragadvisors.com. 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 (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. Bidders may name any number of rates of interest, in any variations selected by the bidder except that:

- (1) All Bonds of the same maturity must bear the same rate of interest;
- (2) No rate of interest named shall be more than six (6.0) percentage points;
- (3) A zero (0.0) percentage point rate of interest is not permitted;
- (4) Each interest rate named must be a multiple of 1/8th or 1/20th of one (1) percentage point;
- (5) Any premium offered must be paid in cash as a part of the purchase price; and

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

[Term bonds are not permitted.]

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. By submitting a bid for the Bonds, each bidder also represents and warrants to the State that (i) it has an established industry reputation for underwriting new issuances of municipal bonds; and (ii) such bidder's bid for the purchase of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such bidder by an

officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

Good Faith Deposit. No good faith deposit will be required.

Basis of Award. 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.

Issue Price Determination. The State expects and intends that the bid for the Bonds will satisfy the federal tax requirements for a qualified competitive sale of bonds, including, among other things, receipt of bids for the Bonds from at least three underwriters, who have established industry reputations for underwriting new issuances of municipal bonds (a "Qualified Competitive Bid"). The State will advise the successful bidder as promptly as possible after the bids are opened whether the bid constitutes a Qualified Competitive Bid, or, in the alternative, a bid that fails to satisfy such requirements (a "Nonqualified Competitive Bid").

If the bid is a Qualified Competitive Bid, as promptly as possible after the bids are opened, the State will notify the successful bidder, and such bidder, upon such notice, shall advise the State, of the reasonably expected Initial Offering Price, as applicable, of each maturity of each series of the Bonds. In addition, the winning bidder shall be required to provide to the State information to establish the initial expected offering prices for each maturity of each series of the Bonds for federal income tax purposes by completing a certificate acceptable to Bond Counsel to the State, on or before the date of issuance of the Bonds, substantially in the form set forth in Exhibit A to the Official Notice of Sale, with appropriate completions, amendments and attachments.

If the bid is a Nonqualified Competitive Bid, as promptly as possible after the bids are opened, the State will notify the successful bidder, and such bidder, upon such notice, shall advise the State of the initial sale price or Initial Offering Price, as applicable, of each maturity of each series of the Bonds. In addition, the winning bidder shall be required to provide to the State information and assurances to establish the initial sale price or the initial offering price to the public, as applicable, for each maturity of each series of the Bonds for federal income tax purposes by completing a certification acceptable to Bond Counsel in substantially the form set forth in Exhibit B attached to this Supplement to the Official Notice of Sale, with appropriate completions, omissions and attachments. **It is noted that procedures for a Nonqualified Competitive Bid may require the winning bidder and, if applicable, other underwriters of the Bonds, to hold the initial offering prices for certain maturities of a series of the Bonds for up to five business days after the sale date, as further specified in the form of such certification.**

Undertakings of the Successful Bidder. The successful bidder (hereafter, the "Purchaser") agrees to provide certificates, including, but not limited to, an issue price certificate in the form attached hereto either as Exhibit A or as Exhibit B, as applicable.

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 lowest interest cost bids, the State shall select the Purchaser(s).

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 Purchaser, the Bonds and the opinions as to their validity by Pope Flynn, LLC, Bond Counsel. The State will also furnish opinions of The Honorable Alan Wilson, Attorney General of the State of South Carolina as to the absence of litigation restraining or enjoining the issuance and delivery of the Bonds.

Tax Opinion. The opinion of Bond Counsel will state that (a) interest on the Bonds is excluded 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 excluded 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.

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. The State's Financial Advisor will timely apply for CUSIP numbers with respect to the Bonds as required by MSRB Rule G-34. All expenses in relation to the printing of the CUSIP identification numbers on the Bonds shall be paid by the State. However, the CUSIP Global Services 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 on or about _____, 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.MuniOS.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 MuniOS website, <http://www.MuniOS.com>; (ii) Robert Macdonald, Director Debt Management Division, Office of State Treasurer, 122 Wade Hampton Office Building, Columbia, South Carolina 29201 (telephone: (803) 734-2677; email: robert.macdonald@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__

FORM OF ISSUE PRICE CERTIFICATE FOR
QUALIFIED COMPETITIVE BID

ISSUE PRICE CERTIFICATE

\$ _____^{*}
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 _____, ____.

^{*} Subject to adjustment as set forth herein.

(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 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 Pope Flynn, LLC, 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 ISSUE PRICE CERTIFICATE FOR
NONQUALIFIED COMPETITIVE BID

ISSUE PRICE CERTIFICATE

\$ _____^{*}
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. ***Sale of the General Rule Maturities.*** As of the date of this Certificate, for each Maturity of the General Rule Maturities, the first price at which 10% of such Maturity was sold by the Purchaser to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Purchaser offered the Hold-the-Offering Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Official Notice of Sale and bid award, the Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to the foregoing, no Underwriter has offered or sold any Maturity of the Hold-the-Offering Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of each series of the Bonds shown in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of each series of the Bonds listed in Schedule A hereto as the "*Hold-the-Offering-Price Maturities*."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the

^{*} Subject to adjustment as set forth herein.

Sale Date, or (ii) the date on which the Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the State of South Carolina.

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

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

(g) *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 _____, _____, 20__.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting 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 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 Pope Flynn, LLC, 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 _____, 2021.

[Purchaser]

By: _____
Name: _____
Title: _____

Schedule A

Expected Initial Offering Prices of the Bonds

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 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 the 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 Disclosure Undertaking, 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) 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 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 than 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 "OUTSTANDING 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 "TABLES RELATING TO THE BONDS AND THEIR EFFECT ON THE DEBT OF THE STATE-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 the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the 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 the Financial Obligation of the 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. 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.

THE STATE OF SOUTH CAROLINA

Date: _____, 20__

By: _____
State Treasurer

EXHIBIT A

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

Issuer: The 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 Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Resolution adopted on _____, 20__. The Issuer anticipates that the Annual Report will be filed by_____.

THE STATE OF SOUTH CAROLINA

By: _____
State Treasurer

Date: _____

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF May 31, 2022

ITEM NUMBER 16

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, June 28, 2022, in Room 252, Edgar A. Brown Building.

AUTHORITY ACTION REQUESTED:

Agree to meet at 10:00 a.m. on Tuesday, June 28, 2022, in Room 252, Edgar A. Brown Building.

ATTACHMENTS:

AGENCY: Executive Director

SUBJECT: Revenue Bonds

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

- a. Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: N/E \$3,000,000 Multifamily Housing Revenue Completion Note, Series 2022
Allocation Needed: **\$3,000,000 of ceiling allocation carryforward will be used**
Name of Project: Robert Smalls Apartments
Employment Impact: n/a
Project Description: finance completion of the acquisition, construction, furnishing and equipping of a 190-unit multifamily apartment housing facility located at 571 Wofford Street, Spartanburg
Bond Counsel: Ronald T. Scott, Haynsworth Sinkler Boyd, P.A.
Note: This item was previously approved on August 18, 2020, for issuance of not exceeding \$25,000,000 Multifamily Revenue Bonds. The project sponsor has encountered significant cost overruns with the completion of the project and is requesting approval of the issuance of its Completion Note. The project has been under construction since 2020.
- b. Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: N/E \$375,000,000 Mortgage Revenue Bonds and Notes, Series 2022B and C
Allocation Needed: -0-
Name of Project: Mortgage Revenue Bonds and Notes, Series 2022B and C
Employment Impact: n/a
Project Description: mortgage revenue bonds and notes
Bond Counsel: Rion D. Foley, Burr Forman McNair
- c. Issuing Authority: Housing Authority of the City of Florence
Amount of Issue: N/E \$10,000,000 Multifamily Housing Revenue Bonds, Series 2022
Allocation Needed: \$10,000,000
Name of Project: Dillon Graded School Senior Apartments
Employment Impact: n/a
Project Description: to provide construction and permanent financing for a portion of the costs of acquisition and renovating of multifamily housing for 37 affordable residential units for elderly persons to be known as Dillon Graded School Senior, in the City of Dillon.
Bond Counsel: Samuel W. Howell, Howell Linkous & Nettles, LLC
Note: This item first appeared on the Authority's meeting agenda for January 25, 2022. The item was carried over at that meeting.

AGENCY: Executive Director

SUBJECT: Revenue Bonds

- d. Issuing Authority: Housing Authority of the City of Greenville
 Amount of Issue: N/E \$10,000,000 Multifamily Housing Revenue Note, Series 2022

 Allocation Needed: \$10,000,000
 Name of Project: Dunean Mill Townhomes f/d/a Dunean Mill Apartments
 Employment Impact: n/a
 Project Description: to provide construction and permanent financing for a portion of the costs of acquisition and construction of multifamily housing of approximately 60 apartments to be known as Dunean Mill Townhomes, in Greenville.

 Bond Counsel: Samuel W. Howell, Howell Linkous & Nettles, LLC
 Note: **This item first appeared on the Authority's meeting agenda for January 25, 2022. The item was carried over at that meeting.**
- e. Issuing Authority: South Carolina Regional Housing Authority No. 3
 Amount of Issue: N/E \$18,000,000 Multifamily Housing Revenue Bonds, Series 2022

 Allocation Needed: \$18,000,000
 Name of Project: Shannon Park Apartments
 Employment Impact: n/a
 Project Description: to provide a portion of the financing needed for the acquisition and rehabilitation of an approximately 96-unit affordable housing development located in Goose Creek, Berkeley County.

 Bond Counsel: Emily Zackon, Parker Poe Adams & Bernstein LLP
 Note: **This item first appeared on the Authority's meeting agenda for January 25, 2022. The item was carried over at that meeting.**

AUTHORITY ACTION REQUESTED:

Adopt the resolutions approving the referenced proposals to issue revenue bonds as noted in the item.

ATTACHMENTS:
Resolutions



OFFICE OF STATE TREASURER

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

SFAA Approval Date: 05/31/22

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: SC State Housing Finance & Development Authority Series: 2022
 Borrower (if not Issuer): New Spartanburg Owner, LP
 Bond Caption: Multifamily Housing Revenue Note (Robert Smalls Apartments Project) Series 2022
 Bond Resolution Amount: \$ 3,000,000 Est. Production/Par Amt: \$ 3,000,000
 (* Used to calculate initial COI percentages: 8.1 + 8B)
 Final Production/Par Amt: \$ -

Submitted By:

ENTITY: Haynsworth Sinkler Boyd, P.A.
 BY: John Van Duys, Esq.
 ITS: Bond Counsel
 Tel: 803-779-3080
 Email: jvanduy@hsblawfirm.com

Transaction Type/Method of Sale:

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

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

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

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Robert Smalls Apartments
 Project Address/Location: 571 Wofford Street, Spartanburg, SC 29301 Amount: \$ 3,000,000
 Project Type: Multi-family low income housing County: Spartanburg
 Projected Avg Interest Rate: 3.75% Final Maturity: 2 years
 Projected Cost per Unit: \$ 16,368 LIHTC/SCTC: \$ 2,230,800

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: None Disclosure Counsel: None
 Bond Counsel: Haynsworth Sinkler Boyd, P.A. Issuer's Counsel: Tracey Easton, General Counsel
 Underwriter: None (R4, Placement Agent) Trustee: U.S. Bank National Association
 Paying Agent: U.S. Bank National Association Other: Pepper Hamilton LLP, Borrower's Counsel

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

The Authority issued its \$25,000,000 Series 2020 Bonds to finance the new construction of a 190-unit multifamily housing development for families in Spartanburg County, South Carolina. The property will consist of 65 one-bedroom units, 93 two-bedroom units, 25 three-bedroom units and 7 four-bedroom units on approximately 21 acres of land generally located at 571 Wofford Street, Spartanburg, South Carolina, 29301. The Note is a vehicle to cause the project to be eligible for the 4% low income housing tax credit. Costs of issuance listed in 9 exclude costs relating to the tax credits. The Series 2022 Bonds will fund certain cost over-runs experienced at the Project due to the increase in cost of construction materials over the course of the project.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Authority Approval: 09/15/21	SC Housing
JBRC Approval: 00/00/00	
SFAA Approval: 05/31/22	SFAA

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

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management

Yes No

X

contract? (if yes, please attach copy)

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

X

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

Sq. Footage - See item 5.
Cost Estimate - \$

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

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ 3,000,000	12/31/2021	Completion of construction, equipping and furnishing.
-		
-		
\$ 3,000,000		

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

Sources	A. Est. Project Budget / Construction (Sources)	B. Est. Project Budget / Permanent (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 3,000,000	\$ -	\$ 3,000,000	Project Fund
(b) Premium/Accr. Int.	-	-	-	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	-	-	110,000	Cost of Issuance (Incl. UW Disc.)
(5) Other MFHRB Sources			-	Other (Contingency)
(a) LIHTC	-	1,326,000	-	Developer Fee
(a) State Housing TC	-	904,800	-	Reserves
(c) Owner's Equity/Other	-	879,200	-	Acquisition
(d) Mortgage Loan (BTO)	-	-	-	Renovation
Total Project Sources	\$ 3,000,000	\$ 3,110,000	\$ 3,110,000	Third party reports/soft costs
				Total Project Uses
Surplus/Deficit	\$ -			

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor				\$ -	\$ -	\$ -
Bond Counsel	Haymsworth Sinkler Boyd			65,000	-	65,000
Disclosure Counsel				-	-	-
Issuer's Counsel	Tracey Easton (GC)			-	-	-
Underwriter's Counsel	Kutak Rock			15,000	-	15,000
Transaction Counsel	Pepper Hamilton			15,000	-	15,000
Trustee's Counsel	Burr Foreman			-	-	-
Rating Agency - S&P				-	-	-
Rating Agency - Moody's				-	-	-
Rating Agency - Fitch				-	-	-
Underwriter's Compensation				-	-	-
Registrar / Paying Agent				-	-	-
Escrow Agent				-	-	-
Accountant				-	-	-
Verification Agent				-	-	-
Printing/Publishing/Advertising				-	-	-
Issuer's Fee	Authority Fees			15,000	-	15,000
				\$ 110,000	\$ -	\$ 110,000

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

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

0.00%	#DIV/0!
2.17%	#DIV/0!
3.17%	#DIV/0!
0.00%	#DIV/0!

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

0.00%	#DIV/0!
0.50%	#DIV/0!
3.67%	#DIV/0!



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 05/31/22

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: L320 Issuer: South Carolina Housing Finance & Development Authority Series: 2022B & 2022C
Borrower (if not Issuer):
Bond Caption: Mortgage Revenue Bonds / Notes
Bond Resolution Amount: \$ 375,000,000 Est. Production/Par Amt: \$ 375,000,000
(* Used to calculate initial COI percentages; STO bond issues must use Par Amt *)
Final Production/Par Amt: \$ -

Submitted By:

ENTITY SC Housing Finance & Development
BY: Ellen Eudy
ITS: Chief Financial Officer
Tel: 803-896-9551
Email: ellen.eudy@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 / Notes
Project Address/Location: Available Statewide Amount: \$ 375,000,000
Project Type: Single Family Mortgages County:
Projected Avg Interest Rate: TBD Final Maturity: 07/01/53

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: Raymond James & Associates, Inc. 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 and power point for details.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Issuer/Borrower Approval: 03/16/22	Prelim/ Final
JBRC Approval: 00/00/00	
SFAA Approval: 05/31/22	Proposed

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

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sq. Footage -	Not Applicable
Cost Estimate -	\$ -

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

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ 154,500,000	6/30/2023	Purchasing Mortgages
135,500,000	6/30/2024	Purchasing Mortgages / Invested in Permitted Investments
85,000,000	6/30/2024	Invested in Permitted Investments
-	00/00/00	
-	00/00/00	
-	00/00/00	
\$ 375,000,000		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 375,000,000	\$ 205,000,000	Project Fund
(b) Premium/Accr. Int.	6,000,000	1,500,000	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	8,164,083	6,833,333	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	-	-	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	-	2,755,750	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)	-	-	Accrued Interest
Type -	-	3,075,000	Servicing Release Premium
Residual Project Sources	-	170,000,000	Deposit to Note Proceeds Account
(6) Other	-	-	Other
(a) GF -	-	-	Other
(a) FF -	-	-	Other
(c) OF -	-	-	Other
Total Project Sources	\$ 389,164,083	\$ 389,164,083	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	Raymond James			\$ 134,000	\$ -	\$ 134,000
Bond Counsel	Burr Forman McNair			375,000	-	375,000
Disclosure Counsel	Howell Linkous			187,500	-	187,500
Issuer's Counsel	Internal Counsel			-	-	-
Underwriter's Counsel	Parker Poe Adams			93,750	-	93,750
Transaction Counsel				-	-	-
Legal Expenses				-	-	-
				-	-	-
Rating Agency - S&P				-	-	-
Rating Agency - Moody's				160,000	-	160,000
Rating Agency - Fitch				-	-	-
Underwriter's Compensation				1,757,500	-	1,757,500
Registrar / Paying Agent				15,000	-	15,000
Escrow Agent				-	-	-
Accountant				-	-	-
Verification Agent				-	-	-
Printing				3,000	-	3,000
Publishing				-	-	-
Advertising				-	-	-
Contingency				30,000	-	30,000
Issuer's Fee	SC JEDA / SC SHFDA			-	-	-
				\$ 2,755,750	\$ -	\$ 2,755,750

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

Financial Advisor: % of Transaction

Bond Counsel: % of Transaction

Total Legal Costs: % of Transaction

Rating Agencies: % of Transaction

0.04%	#DIV/0!
0.10%	#DIV/0!
0.18%	#DIV/0!
0.04%	#DIV/0!

UW Comp: % of Transaction

Other COI: % of Transaction

Total COI: % of Transaction

0.47%	#DIV/0!
0.01%	#DIV/0!
0.73%	#DIV/0!



OFFICE OF STATE TREASURER

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

SFAA Approval Date: 05/31/22

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: Housing Authority of the City of Florence Series: 2022
Borrower (if not Issuer): Dillon School Senior, LP
Bond Caption: Multifamily Housing Revenue Bonds (Dillon Graded School Senior Apartments)

Bond Resolution Amount: \$ 10,000,000 Est. Production/Par Amt: \$ 10,000,000

(* Used to calculate initial COI percentages: SA + RB)

Final Production/Par Amt: \$ -

Submitted By:

ENTITY: Dillon School Senior, LP
BY: Jonathan R. Toppen
ITS: President, Tapestry Development Group, Inc.
Tel: 404-997-6788
Email: jontoppen@tapestrydevelopment.org

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:

Borrower

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Dillon Graded School Senior Apartments
Project Address/Location: 301 Martin Luther King, Jr. Blvd, Dillon, SC Amount: \$10,000,000.00
Project Type: Multifamily Housing & related amenities County: Dillon
Projected Avg Interest Rate: 0.60% Final Maturity: 12/31/23
Projected Cost per Unit: \$ 517,128 LIHTC/SCTC: \$ 9,323,428

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)
None		\$ -			\$ -	
		-			-	
		-			-	
Total		\$ -	*****	*****	\$ -	

4. FINANCING WORKING GROUP

Financial Advisor: None Disclosure Counsel: None
Bond Counsel: Howell, Linkous & Nettles, LLC Issuer's Counsel: Willcox Buyck & Williams, PA
Underwriter: Stifel, Nicolaus & Company, Inc. Trustee: U.S. Bank N.A.
Paying Agent: U.S. Bank N.A. Underwriters Counsel: Tiber Hudson, LLC

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

The project is the adaptive reuse and rehabilitation of the historic Dillon Graded School Building (Dillon, SC) into 37 affordable rental apartments for seniors. The units will consist of efficiencies and 1 bedroom apartments. The project has qualified under the HUD 202 program as an affordable project featuring adaptive reuse of a vacant building. This program will provide 100% rental assistance whereby the residents will pay only 30% of their documented income towards rent and utilities. The total capital cost of the project is estimated at \$19.2 million. The project financing features federal and state low income housing tax credits, federal and state historic tax credits, a HUD 202 project grant, and equity from the state of South Carolina. Collateralized tax-exempt bond financing (backed by an equity bridge loan) will be used as a source for construction proceeds, but not comprise the permanent financial capital structure. *Note: The relatively high total development cost is due to the comprehensive supportive service and amenity offering planned across the original campus structure for both the larger community and for residents. Broadly noted, the project services and amenities for the residents and local community include a free medical clinic, a refurbished auditorium offering a variety of arts programming, a restored gymnasium offering recreational space, a beauty parlor, a barber shop, a computer business center for residents, a media room, a game room, a music room, a community room, a visitor's suite, a police sub-station, a pet-washing station, a laundry facility, tenant storage, a pet park, a greenhouse, community gardens, an electric car charging station, on-site property management offices, and a covered community kiosk. The free medical clinic and auditorium will be operated by organizations local to Dillon and will help expand their capacity to serve the community at large. The project has support from the City of Dillon, Representative Hayes, and Senator Williams (please see their letters of support attached to the SFAA package). Excluding the public amenity costs, the cost per housing unit is approximately \$315,628.00.*
Breakdown of 5(a) under Section 8: Federal LIHTC Equity - \$5,844,537; State TC Equity - \$3,478,891

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals	Notes:
Authority Approval: 11/23/21	
JBRC Approval: 00/00/00	N/A
SFAA Approval: 05/31/22	

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

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

Yes No
☐ ☒ 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?

☐ ☒ No

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

Sq. Footage -
Cost Estimate -

C.

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

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ 8,000,000	12/31/22	Acquisition & construction costs
2,000,000	12/31/23	Construction costs
\$ 10,000,000		

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

Sources	A. Est. Project Budget / Construction (Sources)	B. Est. Project Budget / Permanent (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 10,000,000	\$ -	\$ -	Project Fund
<i>*Project Sources Account For Bond Proceeds in Item 5(d)</i>			699,995	Legal Fees, Loan Fees, Tax Credit Fees
(b) Premium/Accr. Int.	-	-	541,655	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	-	-	337,000	Cost of Issuance (Incl. UW Disc.)
(5) Other MFHRB Sources			1,225,000	Other (Contingency)
(a) LIHTC (Federal & State)	1,264,278	9,323,428	2,435,000	Developer Fee
(b) Historic Tax Credit Equity & SC Aband. Bldg. Equity	1,096,547	7,310,316	296,094	Reserves
(c) HUD 202 Grant	2,500,000	2,500,000	230,000	Acquisition
(d) Equity Bridge/Construction Loan	4,272,919	-	12,751,250	Renovation
			617,750	Third party reports/soft costs
Total Project Sources	\$ 19,133,744	\$ 19,133,744	\$ 19,133,744	Total Project Uses
Surplus/Deficit		\$ -		

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor				\$ -	\$ -	\$ -
Bond Counsel	Howell Linkous & Nettles, LLC			65,000	-	65,000
Disclosure Counsel				-	-	-
Borrower's Counsel				-	-	-
Underwriter's Counsel	Tiber Hudson, LLC			55,000	-	55,000
Issuer's Counsel	Willcox Buyck & Williams, PA			45,000	-	45,000
Trustee Counsel	TBD			5,000	-	5,000
Rating Agency - S&P				-	-	-
Rating Agency - Moody's				5,500	-	5,500
Rating Agency - Fitch				-	-	-
Underwriter's Compensation	Stifel, Nicolaus & Company, Inc.			75,000	-	75,000
Registrar / Paying Agent	U.S. Bank National Association			6,000	-	6,000
Escrow Agent				-	-	-
Accountant				-	-	-
Dissemination Agreement				500	-	500
Closing Administration Fee				5,000	-	5,000
Negative Arbitrage				-	-	-
Verification Agent				-	-	-
Printing/Publishing/Advertising				-	-	-
Issuer's Fee	Florence Housing Authority			75,000	-	75,000
				\$ 337,000	\$ -	\$ 337,000

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

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

0.00%	#DIV/0!
0.65%	#DIV/0!
1.70%	#DIV/0!
0.06%	#DIV/0!

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

0.75%	#DIV/0!
0.87%	#DIV/0!
3.37%	#DIV/0!



OFFICE OF STATE TREASURER

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

SFAA Approval Date: 05/31/22

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: Greenville Housing Authority Series: 2022
 Borrower (if not Issuer): Duncan Mill Apartments, LLC
 Bond Caption: Multifamily Housing Revenue Note (Duncan Mill Townhomes)
 Bond Resolution Amount: \$ _____ 10,000,000 Est. Production/Par Amt: \$ _____ 10,000,000

(* Used to calculate initial COI percentages: 8A + 8B)

Final Production/Par Amt: \$ _____ -

Submitted By:

ENTITY: Duncan Mill Apartments, LP
 BY: Rusty Snow
 ITS: Member of its GP
 Tel: 406-241-0103
 Email: rsnow@lincolnavecap.com

Transaction Type/Method of Sale:

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

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

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

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Duncan Mill Townhomes
 Project Address/Location: 130 Prospect St, Greenville, SC 29611 Amount: \$10,000,000.00
 Project Type: Multifamily Housing County: Greenville
 Projected Avg Interest Rate: 5.25% Final Maturity: 02/01/24
 Projected Cost per Unit: \$ _____ 300,720 LIHTC/SCTC: \$ _____ 11,525,213

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: N/A Disclosure Counsel: N/A
 Bond Counsel: Howell Linkous & Nettles, LLC Issuer's Counsel: Horton Law Firm
 Lender: Citibank, N.A. Trustee: N/A
 Paying Agent: N/A Lender's Counsel: Norris George & Ostrow

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

Duncan Mill Apartments (DMA) is an affordable low-income family apartment development to be built at 130 Prospect St, Greenville, SC 29611. With a large number of rent burden individuals in the area due to the increasing cost of living, we feel this project is programed to meet those needs. The project is located approximately 3.5 miles southwest of Downtown Greenville and just a few blocks of the major roadway of Whitehorse Road. The site is already zoned for multifamily, and it is located near almost all essential services, job opportunities, and schools, making it a great location for families.

The community will include 60 newly constructed units with 2 and 3 bedrooms, community space, opens space for outdoor activities, and ample parking. The proposed development will consist of 2-story townhome style units using building of Type VB construction. DMA is proposed to be constructed as a slab-on-grade foundation. The exterior will be wood framed with a variety of exterior cladding materials articulated carefully to ensure durability and longevity to the building as well as provide a nice aesthetic for the residents and surrounding neighbors. Unit mix and sizes are in the table below are 30 2BR units and 30 3BR units

The project will include tax-exempt bonds in the amount of \$10,000,000 with an additional taxable tail of \$4,109,102. The project will also include \$7,268,971 in federal LIHTC and \$4,460,951 in state LIHTC from the South Carolina State Housing Finance & Development Authority. The soft costs and fees are based of language and terms in the 2021 QAP, Greenville HA's guidelines, debt and equity LOIs provided. Hard cost are based on both current and historical cost for projects of this size along with input and pricing from the General contractor.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Authority Approval:	08/05/21	
JBRC Approval:	N/A	
SFAA Approval:	05/31/22	

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

D.

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

Yes No

	x
--	---

	x
--	---

Sq. Footage -
Cost Estimate -

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

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ 5,811,850	2022 & 2023	
4,188,150	2023 & 2024	
-		
\$ 10,000,000		

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

Sources	A. Est. Project Budget / Construction (Sources)	B. Est. Project Budget / Permanent (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 10,000,000	\$ -	\$ -	Project Fund
(b) Premium/Accr. Int.	-	-	402,711	Capitalized Interest Fund
(2) Issuer/Borrower Contr.	-	-	120,408	Debt Service Reserve Fund
(3) Debt Service Fund Trans.	-	-	-	Redemption Price/Escrow Deposit
(4) Debt Service Reserve Fund Contribution	-	-	295,000	Cost of Issuance (Incl. UW Disc.)
			529,070	Other (Contingency)
(5) Other MFHRB Sources			2,236,893	Developer Fee
(a) LIHTC	1,842,040	7,111,015	316,224	Reserves
(a) State Housing TC	-	4,414,198	1,250,000	Acquisition
(c) Owner's Equity/Other	-	379,539	10,853,672	Renovation
(d) Mortgage Loan - Taxable	-	6,138,465	2,039,239	Third party reports/soft costs
Total Project Sources	\$ 11,842,040	\$ 18,043,217	\$ 18,043,217	Total Project Uses
Surplus/Deficit		\$ -		

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor				\$ -	\$ -	\$ -
Bond Counsel	Howell Linkous & Nettles			75,000	-	75,000
Disclosure Counsel				-	-	-
Issuer's Counsel	Horton Law Firm			70,000	-	70,000
Underwriter's Counsel				-	-	-
Transaction Counsel				-	-	-
Legal Expenses	Winthrop & Weinstine			75,000	-	75,000
Rating Agency - S&P				-	-	-
Rating Agency - Moody's				-	-	-
Rating Agency - Fitch				-	-	-
Underwriter's Compensation				-	-	-
Registrar / Paying Agent				-	-	-
Escrow Agent				-	-	-
Accountant				-	-	-
Verification Agent				-	-	-
Printing/Publishing/Advertising				-	-	-
Issuer's Fee	Authority Fees			75,000	-	75,000
				\$ 295,000	\$ -	\$ 295,000

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

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

0.00%	#DIV/0!
0.75%	#DIV/0!
2.20%	#DIV/0!
0.00%	#DIV/0!

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

0.00%	#DIV/0!
0.75%	#DIV/0!
2.95%	#DIV/0!



OFFICE OF STATE TREASURER

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

SFAA Approval Date: 05/31/22

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: _____ Issuer: South Carolina Regional Housing Authority No. 3 Series: 2022
Borrower (if not Issuer): Standard Shannon Venture LP
Bond Caption: South Carolina Regional Housing Authority No. 3 Multifamily Housing Revenue Bonds (Shannon Park Apartments Project) Series 2022
Bond Resolution Amount: \$ 18,000,000 Est. Production/Par Amt: \$ 15,020,000
(* Used to calculate initial COI percentages: SA + SB)

Submitted By:

ENTITY: Standard Shannon Venture LP
BY: Parker Poe Adams & Bernstein LLP
ITS: Bond Counsel
Tel: 803-253-6867
Email: emilyzackon@parkerpoe.com

Final Production/Par Amt: \$

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:

Standard Shannon Venture LP

2. FINANCING (NEW PORTION)

Project #: _____ Project Name: Shannon Park Apartments
Project Address/Location: 103 Central Ave, Goose Creek, SC 29445 Amount: \$ 18,000,000
Project Type: Multifamily Housing County: Berkeley
Projected Avg Interest Rate: TBD Final Maturity: 04/30/38
Projected Cost per Unit: \$ 321,680 LIHTC/SCTC: \$9,172,359 / \$5,395,505

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: N/A
Bond Counsel: Parker Poe Adams & Bernstein LLP
Underwriter: Stifel Nicolaus & Company, Incorporated
Paying Agent: Zions Bancorporation

Disclosure Counsel: Tiber Hudson (Underwriters Counsel)
Issuer's Counsel: Horton Law Firm
Trustee: Zions Bancorporation
Other: _____

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

The South Carolina Regional Housing Authority No. 3 ("Housing Authority"), has proposed to issue its Multifamily Housing Revenue Bonds (Shannon Park Apartments Project) Series 2022 ("Bonds"), in the aggregate principal amount of not exceeding \$18,000,000 for the purpose of funding a mortgage loan to Standard Shannon Venture, LP, a South Carolina limited partnership (the "Sponsor"), to provide a portion of the financing needed for the acquisition and rehabilitation of an approximately 96-unit multifamily affordable housing development located in Goose Creek, South Carolina, known as Shannon Park Apartments (the "Project"). The Sponsor intends to finance a portion of the Project using State and Federal Low Income Housing Tax Credits. The State Tax Credits will allow the Sponsor to provide more robust improvements and amenities than would not otherwise be possible without the provision of State Tax Credits. Without the State Tax Credits, the Sponsor would need to reduce the scope of the rehabilitation in order to retain affordability.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Authority Approval:	January	Final Bond Resol.
JBRC Approval:	00/00/00	
SFAA Approval:	05/31/22	

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

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

Yes No

X

X

Sq. Footage - Entire Project
Cost Estimate -

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

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ 1,212,231	6/30/2022	Acquisition
13,807,769	12/31/2024	Rehabilitation
-		
\$ 15,020,000		

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

Sources	A. Est. Project Budget / Construction (Sources)	B. Est. Project Budget / Permanent (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ -	\$ 15,020,000	\$ 16,500,000	Project Fund
(b) Premium/Accr. Int.	-	-	1,209,110	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	-	-	305,150	Cost of Issuance (Incl. UW Disc.)
(5) Other MFHRB Sources	-	-	-	Other (Contingency)
(a) LIHTC	-	9,172,359	3,000,000	Developer Fee
(a) State Housing TC	-	5,395,505	745,114	Reserves
(c) Owner's Equity/Other	-	1,293,371	1,212,231	Acquisition
(d) Mortgage Loan (BTO)	-	-	7,200,000	Renovation
Total Project Sources	\$ -	\$ 30,881,235	\$ 709,630	Third party reports/soft costs
			\$ 30,881,235	Total Project Uses
Surplus/Deficit		\$ -		

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor				\$ -	\$ -	\$ -
Bond Counsel	Parker Poe			65,000	-	65,000
Disclosure Counsel				-	-	-
Issuer's Counsel	Horton Law Firm			25,000	-	25,000
Underwriter's Counsel	Tiber Hudson			35,000	-	35,000
Transaction Counsel	Rutan			45,000	-	45,000
Legal Expenses				22,500	-	22,500
Rating Agency - S&P				-	-	-
Rating Agency - Moody's				-	-	-
Rating Agency - Fitch				-	-	-
Underwriter's Compensation				-	-	-
Registrar / Paying Agent				-	-	-
Escrow Agent	Parker Poe			-	-	-
Accountant				-	-	-
Verification Agent				-	-	-
Printing/Publishing/Advertising				-	-	-
Issuer's Fee	Authority Fees			112,650	-	112,650
				\$ 305,150	\$ -	\$ 305,150

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

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

0.00%	#DIV/0!
0.43%	#DIV/0!
1.28%	#DIV/0!
0.00%	#DIV/0!

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

0.00%	#DIV/0!
0.75%	#DIV/0!
2.03%	#DIV/0!

AN AMENDED AND RESTATED RESOLUTION

MAKING PROVISION FOR THE ISSUANCE OF NOT TO EXCEED THREE MILLION DOLLARS (\$3,000,000) AGGREGATE PRINCIPAL AMOUNT MULTIFAMILY HOUSING REVENUE COMPLETION NOTE (ROBERT SMALLS APARTMENTS PROJECT) OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY FOR THE PURPOSE OF PROVIDING CONSTRUCTION MORTGAGE LOAN FINANCING FOR A MULTIFAMILY RENTAL HOUSING FACILITY, AND OTHER MATTERS RELATED THERETO.

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

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

WHEREAS, New Spartanburg Owner LP (the "*Housing Sponsor*" or the "*Borrower*"), a South Carolina limited partnership, previously requested the Authority to assist it through the issuance of its Multifamily Housing Revenue Note (Robert Smalls Apartments Project), Series

2020 under the Act in the amount not to exceed \$25,000,000 (the "**Original Note**") to provide a mortgage loan (the "**Mortgage Loan**") to finance the acquisition, construction, furnishing and equipping of a 190-unit affordable rental housing facility to be constructed on an approximately 16 acre site located at 571 Wofford Street, Spartanburg, South Carolina 29301 in Spartanburg County, South Carolina, known as "Robert Smalls Apartments" (the "**Project**"); and

WHEREAS, the Authority determined that assisting in the financing of the Project will promote and serve the intended purposes of and in all respects will conform to the provisions and requirements of the Act and executed and delivered the Original Note on November 12, 2020 following the approval of the Original Note by the SFAA and South Carolina State Treasurer; and

WHEREAS, the proceeds of the Original Note were to be advanced by Allianz Life Insurance Company of North America (together with its successors, "**Allianz**") under that certain Funding Loan Agreement dated as of October 1, 2020 (the "**Original Funding Loan Agreement**") among the Issuer, U.S. Bank Trust Company, National Association, as fiscal agent (the "**Fiscal Agent**") and Allianz; and

WHEREAS, the principal amount of the Original Note advanced under the Original Funding Loan Agreement was to be advanced to the Borrower by the Fiscal Agent, subject to the approval of Allianz, pursuant to that certain Borrower Loan Agreement dated as of October 1, 2020 (the "**Original Borrower Loan Agreement**") between the Authority and the Borrower (the "**Borrower Loan**"); and

WHEREAS, to evidence its obligation to repay the Borrower Loan, the Borrower delivered its promissory note to the Authority dated November 12, 2020 (the "**Original Borrower Note**") which was assigned by the Authority to the Fiscal Agent pursuant to the Assignment of Note (the "**Original Assignment of Note**"); and

WHEREAS, to secure the repayment of the Original Note, the Borrower executed and delivered the Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing (the "**Original Mortgage**") dated as of October 1, 2020, from the Borrower to the Authority which the Authority assigned to Allianz pursuant to that certain Assignment of Mortgage and Funding Loan Documents (the "**Assignment of Mortgage**") dated as of October 1, 2020, from the Issuer to Allianz with the consent of the Borrower; and

WHEREAS, to preserve the tax exemption of the Original Note under Section 142(d) of the Internal Revenue Code of 1986, as amended (the "**Code**"), the Project was encumbered by that certain Agreement as to Restrictive Covenants (the "**Original Agreement as to Restrictive Covenants**") dated as of October 1, 2020, between the Issuer and the Borrower; and

WHEREAS, the Borrower has advised the Authority that the Project is to be financed by a combination of the Original Note and equity provided by the Borrower's investor limited partners (the "**Tax Credit Investors**") in anticipation of the receipt of federal and state low income housing tax credits in respect of the Project (the "**Tax Credits**"); and

WHEREAS, the Borrower previously advised the Authority that, because of the increase in the cost of construction materials due to the ongoing COVID-19 pandemic, the total cost of the Project was expected to be approximately \$51,810,115; and

WHEREAS, the Borrower previously advised the Authority that in order for the Project to qualify for the Tax Credits, a majority of the eligible basis of the buildings constituting the Project need to be financed by tax exempt private activity bonds receiving an allocation of volume cap under Section 146 of the Code (the “**50% Test**”); and

WHEREAS, the Borrower previously advised the Authority that due to the increase in the cost of the Project, the principal amount of the Original Note will not satisfy the 50% Test and the Project will not be eligible for the Tax Credits; and

WHEREAS, upon the prior request of the Borrower, the Board of the Authority adopted a resolution on September 15, 2021 (the “**Prior Note Resolution**”) approving the issuance, sale and application of the proceeds of its Multifamily Housing Revenue Completion Note (Robert Smalls Apartments Project) under the Act in the amount not to exceed \$2,000,000 for the purpose of funding a portion of the costs of the Project; and

WHEREAS, the Borrower has advised the Authority that the Borrower has diligently pursued the acquisition and construction of the Project and has requisitioned substantially all of the principal amount of the Original Note, other than retainage; and

WHEREAS, the Borrower has advised the Authority that, due to delays in obtaining approval of the issuance of the completion indebtedness and continued increases in the cost of construction materials due to the ongoing COVID-19 pandemic, the total cost of the Project is now expected to be approximately \$52,755,517 and has requested the Authority to assist it by issuing its Multifamily Housing Revenue Completion Note (Robert Smalls Apartments Project) under the Act (the “**Completion Note**”) in the amount not to exceed \$3,000,000 to complete the Project in compliance with the 50% Test; and

WHEREAS, the Authority has previously requested and was granted, a carry-forward allocation of private activity bond volume cap under Section 146(f)(2) of the Code, a portion of which shall be allocated to the Completion Note; and

WHEREAS, the Authority proposes to issue the Completion Note pursuant to the terms of a First Amendment to Funding Loan Agreement (the “**First Amendment to the Funding Loan Agreement**”), among the Authority, Allianz and the Fiscal Agent, the proceeds of which will be loaned to the Borrower pursuant to the terms of a First Amendment to Borrower Loan Agreement (the “**First Amendment to the Borrower Loan Agreement**”) to finance the completion of the acquisition, construction, rehabilitation, development, equipping and/or furnishing of the Project; and

WHEREAS, pursuant to the First Amendment to the Borrower Loan Agreement, the Borrower agrees to make loan payments to the Authority in an amount which, when added to other funds available under the First Amendment to the Funding Loan Agreement, will be sufficient to

enable the Authority to repay the Completion Note and to pay all costs and expenses related thereto when due; and

WHEREAS, to evidence its payment obligations under the First Amendment to the Borrower Loan Agreement, the Borrower will execute and deliver to the Authority its Promissory Note (the "***Borrower Completion Note***") and the obligations of the Borrower under the Borrower Completion Note will be secured on a parity basis with the Original Borrower Note by a lien on and security interest in the Project pursuant to a First Amendment to the Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing made by the Borrower to Allianz (the "***First Amendment to the Mortgage***") covering the Project; and

WHEREAS, the Housing Sponsor agrees to execute a First Amendment to the Agreement as to Restrictive Covenants (the "***First Amendment to the Restrictive Covenants***") and to operate the Project to ensure the availability of housing to members of the Beneficiary Classes; and

WHEREAS, the Authority hereby finds and confirms that in order to provide the moneys necessary to implement its program, to complete the Project and preserve the Tax Credits, the Completion Note must be issued and desires to amend the Prior Bond Resolution by increasing the not to exceed amount of the Completion Note as set forth herein.

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

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

Section 2. Issuance of Completion Note. In order to provide the moneys required to finance the costs of completing the Project, there is hereby authorized and shall forthwith be issued a note to be designated as "South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Completion Note (Robert Smalls Apartments Project)," with any series designation as approved by the Executive Director. The Completion Note is intended to be issued as an "exempt facility bond" for a qualified residential rental project under Section 142(a)(7) of the Code. Following delivery of the final SFAA Approval, the Completion Note shall be executed on behalf of the Authority by the Chairman or Vice Chairman and the seal of the Authority shall be affixed thereto and attested by the Secretary of the Authority, in the form approved by the general counsel to the Authority and by the officers of the Authority executing such Completion Note, such approval to be conclusively evidenced by such officers' execution thereof.

Section 3. Approval of Execution and Delivery of First Amendment to the Borrower Loan Agreement. The transactions described in the recitals to this Resolution shall be consummated pursuant to the terms of the First Amendment to the Borrower Loan Agreement to be executed on behalf of the Authority by the Chairman or Vice Chairman and the seal of the Authority shall be affixed thereto and attested by the Secretary of the Authority, in the form

approved by the general counsel to the Authority and by the officers of the Authority executing the First Amendment to the Borrower Loan Agreement, their approval to be conclusively evidenced by such officers' execution thereof.

Section 4. Sale of Completion Note. The Chairman or Vice Chairman of the Authority are hereby authorized to sell the Completion Note to Allianz or another institutional purchaser acceptable to the Authority (the "**Funding Lender**"), the execution by the Chairman, Vice Chairman or Executive Director of the Funding Loan Agreement being conclusive evidence of such approval, to fund a loan to the Borrower under the First Amendment to the Borrower Loan Agreement to finance completion of the Project. The revenues or other monies estimated to thereafter be available from payments under the First Amendment to the Borrower Loan Agreement will provide monies required for the repayment of the principal and interest on the Completion Note.

Section 5. Approval of Execution and Delivery of First Amendment to the Restrictive Covenants. The Project will remain encumbered by restrictive covenants to ensure the Project continuously complies with the requirements of the Act and of the Code pursuant to the First Amendment to the Restrictive Covenants between the Authority and the Housing Sponsor, to be executed on behalf of the Authority by the Chairman, the Vice Chairman, or the Executive Director of the Authority, in the form approved by the general counsel to the Authority and by the officers of the Authority executing said document, their approval to be conclusively evidenced by such officer's execution thereof.

Section 6. Approval of Execution and Delivery of First Amendment to the Funding Loan Agreement. The deposits to and transfers from the Project Fund shall be subject to the terms of the First Amendment to the Funding Loan Agreement to be executed on behalf of the Authority by the Chairman or Vice Chairman and the seal of the Authority shall be affixed thereto and attested by the Secretary of the Authority, in the form approved by the general counsel to the Authority and by the officers of the Authority executing the First Amendment to the Funding Loan Agreement, their approval to be conclusively evidenced by such officers' execution thereof.

Section 7. Petition to State Fiscal Accountability Authority. The Executive Director or the General Counsel of the Authority is hereby authorized and directed to prepare and present to the State Fiscal Accountability Authority a Petition for Approval requesting approval of the not to exceed \$3,000,000 Completion Note by the State Fiscal Accountability Authority as prescribed in Section 31-13-220 of the Act, which petition shall, among other things, set forth the pertinent provisions relating to the Completion Note required by the Act.

Section 8. General Authority. The Board of Commissioners of the Authority and its appropriate officers, attorneys, agents, and employees are hereby authorized to do all acts and things required of them by this Resolution, the Completion Note, the First Amendment to the Borrower Loan Agreement, the First Amendment to the Funding Loan Agreement, the First Amendment to the Restrictive Covenants, or the First Amendment to the Mortgage or desirable or consistent with the requirements hereof or thereof for the acquisition and construction of the Project or the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Completion Note, this Resolution, the First Amendment to the Borrower Loan

Agreement, the First Amendment to the Funding Loan Agreement, the First Amendment to the Restrictive Covenants, and the First Amendment to the Mortgage, and each such Commissioner, officer, attorney, and employee is hereby authorized and directed to execute and deliver any and all papers, financing statements, reports, forms, certificates, and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereby and thereby, including the execution and delivery of a Federal Tax Agreement and Non-Arbitrage Certificate between the Authority and the Housing Sponsor (the "*First Amendment to the Tax Agreement*"), in such form as is approved by such officers or employees, execution by the said officers or employees being conclusive evidence of their approval.

Section 9. Limited Obligations; No Personal Liability.

(a) The Completion Note is not a debt or grant or loan of credit of the State of South Carolina or any other political subdivision of the State within the meaning of any constitutional or statutory debt limitation. Neither the State nor any political subdivision of the State will be liable for the Completion Note, nor shall the Completion Note be payable out of any funds other than those revenues of the Authority pledged to the payment of the Completion Note under the First Amendment to the Borrower Loan Agreement.

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

members, officers, and employees, of the Authority under the provision contained in this Section shall survive the termination of this Resolution.

ADOPTED IN MEETING DULY ASSEMBLED this 16th day of March, 2022.

STATE OF SOUTH CAROLINA

COUNTY OF LEXINGTON

Pursuant to Section 31-13-190 Code of Laws of South Carolina, 1976, as amended, the undersigned, Chairman and Executive Director of the South Carolina State Housing Finance and Development Authority (the "**Authority**"), **DO HEREBY CERTIFY:**

That we are the duly qualified and acting Chairman and Executive Director of the Authority and as such further certify that attached hereto is a true and correct copy of the Resolution adopted by the Board of Commissioners of the Authority at a meeting duly called and held on the 16th day of March, 2022, at which meeting a quorum was present and acting throughout, and that said Resolution has not been modified, amended or repealed and is in full force and effect on the date hereof. The original of this Resolution is duly entered in the permanent records of minutes of meetings of the Board, in the custody of the Secretary.

We further certify that due notice of a meeting of the Board, called to be held in Columbia, South Carolina at 10:00 a.m. on March 16, 2021, was given to all members prior to the meeting and that, in compliance with the South Carolina Freedom of Information Act, Sections 30-4-10 et seq., Code of Laws of South Carolina, 1976, as amended, public notice of and the agenda for this meeting was posted at the times and places required by law and provided to news media and persons requesting the same in each instance at least 24 hours prior to the commencement of such meeting.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the official seal of the Authority this 18th day of March, 2022.



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

By: 
Chairman, Board of Commissioners

ATTEST:

By: 
Executive Director/Secretary

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 AND SHORT-TERM NOTES, SERIES 2022 (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 and short-term notes, 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 certain prior bonds, short-term notes and other obligations 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 and short-term Notes to provide money for mortgage loans to the beneficiary classes and/or to refund certain prior bonds, short-term notes and other obligations of the Authority and afterwards issued multiple series of its bonds and short-term notes 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 or short-term Notes in one or more series, which may include long-term tax-exempt bonds and short-term notes and/or long-term taxable bonds and short-term notes not requiring additional State Ceiling (the "Series 2022 Obligations") or such other numbering convention as may be necessary, in an aggregate amount not to exceed \$375,000,000, 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 2022 Obligations and when a determination of the appropriate amount of bonds, short-term notes and other obligations of the Authority for refunding can be made; and

WHEREAS, it is anticipated that the applicable series of the Series 2022 Obligations 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 one or more 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 2022 Obligations 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 \$375,000,000 South Carolina State Housing

Finance and Development Authority Mortgage Revenue Bonds and short-term Notes, Series 2022 (or such other numbering convention as may be necessary) in one or more series.

The applicable series of the Series 2022 Obligations (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 2022 Obligations (or such other numbering convention as may be necessary) to be issued;
- (b) the maturity schedule of the applicable series of the Series 2022 Obligations (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 and short-term notes of the Authority;
- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said bonds and short-term notes of the Authority; and
- (e) the method to be employed in selling the applicable series of the Series 2022 Obligations (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 2022 Obligations (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 2022 Obligations (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 2022 Obligations (or such other numbering convention as may be necessary);
- (e) The State Treasurer shall approve the terms and conditions of one or more Purchase Contract(s); and
- (f) The State Treasurer shall approve the issuance of the Series 2022 Obligations (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 2022 Obligations (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 2022 Obligations and/or to refund certain prior bonds, short-term notes and other obligations of the Authority (or such other numbering convention) in one or more series.

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

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

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Telephone 843.266.3800
Fax 843.266.3805

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

17 May 2022

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

Not to exceed \$10,000,000
Housing Authority of the City of Florence, Multifamily Housing Revenue Bonds
(Dillon Graded School Senior Apartments), Series 2022

Dear Delbert:

I understand the referenced transaction is under consideration for being placed back on the agenda for the upcoming meeting of the State Fiscal Accountability Authority. We have reviewed the agenda package which was previously submitted for the January meeting of the State Fiscal Accountability Authority and, to our knowledge, nothing has changed at this time regarding the transaction or deal structure which would require revising the supporting documentation prepared in advance of the last submittal. Accordingly, we believe the only agenda package documents which need to be updated for purposes of the upcoming meeting are the:

1. Completed SFAA transmittal form; and
2. Bond Counsel opinion letter to SFAA.

Updated forms of each of these items are enclosed. Please let us know, however, if you believe there are any other items of documentation which require updating at this time.

An updated NDIF form will be submitted to the State Treasurer's Office as well.

Delbert H. Singleton, Esq.
17 May 2022
Page 2

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

With kindest personal regards, I remain,

Very truly yours,

Sam Howell 

Samuel W. Howell

SWH,IV/sls
Enclosures

cc: Mr Robert Macdonald
Mr Richard Hutto
Keith McCook, Esq.
Mark W. Buyck, III, Esq.

BOND TRANSMITTAL FORM

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

DATE: 5/17/2022

Submitted for SFAA Meeting on:
5/31/2022

FROM: Howell Linkous & Nettles, LLC

106 Broad Street
Charleston, SC 29401

RE: Not to exceed \$10,000,000 Housing Authority of the City of Florence, Multifamily Housing Revenue Bonds (Dillon Graded School Senior Apartments), Series 2022

Project Issue Date: 8/1/2022

Project Name: Dillon Graded School Senior Apartments

Project Description: to provide construction and permanent financing for a portion of the costs of acquisition and renovating of multifamily housing to be known as Dillon Graded School Senior, in the City of Dillon, South Carolina

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

	YES	NO	AMOUNT
Ceiling Allocation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ 10,000,000
Refunding Involved	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.
Project Approved Previously	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.

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

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

- A. ☒ Petition
- B. ☒ Resolution or Ordinance
- C. ☒ Inducement Resolution or comparable preliminary approval
- D. ☐ Department of Health and Environmental Control Certificate *if required*
- E. ☒ State Fiscal Accountability Authority Resolution and Public Notice *(original)*
Plus 4 copies for certification and return to bond counsel
- F. ☒ Draft bond counsel opinion letter
- G. ☐ Processing Fee

Amount: Click or tap here to enter text.

Check No: Click or tap here to enter text.

Payor: Click or tap here to enter text.

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

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

By: _____
Signature

May 31, 2022

State Fiscal Accountability Authority
Columbia, South Carolina

Not to Exceed \$10,000,000
Housing Authority of the City of Florence
Multifamily Housing Revenue Bonds
(Dillon Graded School Senior Apartments) Series 2022

Gentlemen:

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

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

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

qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State of South Carolina, and the opinions are limited to the federal laws of the United States of America and the laws of the State of South Carolina.

Based on the stated examination and assumptions, and subject to the stated qualifications and limitations, we are of the opinion, under existing law, that all findings and conclusions appearing in the SFAA Resolution are supported by representations or statements of fact appearing in the Transaction Documents and the Transaction Documents comply with all requirements of the Act, contain all required facts, information, and findings by the respective authorities, and are legally sufficient to allow the SFAA to approve the issuance of the Bonds through the adoption of the SFAA Resolution.

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

Very truly yours,

HOWELL LINKOUS & NETTLES, LLC

Samuel W. Howell

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

The Lining House
106 Broad Street
Charleston, South Carolina 29401

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Charleston, South Carolina 29402

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Fax 843.266.3805

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

14 December 2021

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

Not to exceed \$10,000,000
Housing Authority of the City of Florence, Multifamily Housing Revenue Bonds
(Dillon Graded School Senior Apartments), Series 2022

Dear Delbert:

My firm serves as bond counsel to Dillon School Senior, LP (the "Housing Sponsor"), with respect to the issuance of multifamily housing revenue bonds by the Housing Authority of the City of Florence (the "Housing Authority") to provide the costs of acquisition of an approximately 5.6 acre parcel of land and the existing former Dillon Graded School located thereon in the City of Dillon, and constructing, renovating such improvements, and adapting for reuse for 37 affordable residential units for elderly persons, including amenities functionally related and subordinate thereto. By resolution adopted by the Dillon City Council on December 13, 2021, the City Council gave consent for the Housing Authority to issue the Bonds for a project to be located in Dillon pursuant to the provisions and procedures of S.C. Code Sections 31-3-400 and 31-3-410.

The proceeds of the Bonds will be loaned to the Housing Sponsor to provide a portion of the construction financing for this project. Total project costs are at approximately \$19.14 million. Federal and State tax credit equity, in an amount of nearly \$7.5 million, is expected to be raised as the result of financing the project with tax-exempt private activity bonds. Additional tax credit equity will also be raised for project costs from federal and State historic tax credits and State abandoned building credits. The result of these credits will be that upon completion of construction, the Bonds will be paid in full and no debt financing or mortgage will be on the project. This will enable the Housing Sponsor to decrease rents to very affordable rates for the

senior citizens who will reside there. In addition to having the support of the City Council of Dillon, State Senator Kent M. Williams, State Representative Jackie E. "Coach" Hayes, and Dillon Mayor Pro Tem Phil Wallace have all indicated their support of the project in the enclosed letters.

The State Housing Finance and Development Authority has issued its 42(m) Letter and State Tax Credit Letter with respect to this project (copies are attached.)

Enclosed is the agenda package for the January meeting of the State Fiscal Accountability Authority (or any other date to which this request may be deferred, continued, rescheduled, or carried over) requesting State law approval and an allocation of State volume cap for the issuance of the bonds. I have enclosed the following documents:

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

By copy of this letter, I am also providing the State Treasurer's office with the NDIF for this transaction.

It is anticipated that the bonds will receive a "Aaa" investment grade rating based on the cash collateralization of the bonds. Bond proceeds will be held by the bond trustee in a collateral fund and all debt service due thereon will be paid from such cash. Pending use to pay debt service, the bond proceeds will be invested solely in U.S. Treasury Securities – State and Local Government Series that are scheduled to mature as needed to pay debt service on the Bonds as it comes due. After completion of construction of the Project, the remaining funds being held in the collateral fund will be used to pay all remaining outstanding principal and interest on the Bonds. Payments from the collateral fund (as shown in the attached Verification Report) will fully pay debt service on the Bonds through their final maturity. The Housing Authority will sell the Bonds to Stifel Nicolaus & Company, Incorporated, as underwriter for the Bonds, for a public distribution of the Bonds as described in the attached drafts of the Bond Purchase Agreement and the Preliminary Official Statement.

Additional enclosures in response to the requirements of S.C. Regulation Section 19-104.01 are enclosed and described under a separate Memorandum. The Housing Authority has no other currently outstanding multifamily bonds.

Delbert H. Singleton, Esq.
14 December 2021
Page 3

The Bonds are intended to be issued as exempt facility bonds for qualified residential rental projects under Section 142(a)(7) of the Internal Revenue Code of 1986, as amended. Consequently, the Housing Authority is also requesting an allocation of volume cap for these bonds.

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

With kindest personal regards, I remain,

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Sam', is written over the typed name.

Samuel W. Howell

SWH,IV/sls
Enclosures

cc: Mr Robert Macdonald
Mr Richard Hutto
Mark W. Buyck, III, Esq.

BOND TRANSMITTAL FORM

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

DATE: 12/14/2021

Submitted for SFAA Meeting on:
1/25/2022

FROM: Howell Linkous & Nettles, LLC

106 Broad Street
Charleston, SC 29401

RE: Not to exceed \$10,000,000 Housing Authority of the City of Florence, Multifamily Housing Revenue Bonds (Dillon Graded School Senior Apartments), Series 2022

Project Issue Date: 3/1/2022

Project Name: Dillon Graded School Senior Apartments

Project Description: to provide construction and permanent financing for a portion of the costs of acquisition and renovating of multifamily housing to be known as Dillon Graded School Senior, in the City of Dillon, South Carolina

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

	YES	NO	AMOUNT
Ceiling Allocation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ 10,000,000
Refunding Involved	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.
Project Approved Previously	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.

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

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

- A. ☒ Petition
- B. ☒ Resolution or Ordinance
- C. ☒ Inducement Resolution or comparable preliminary approval
- D. ☐ Department of Health and Environmental Control Certificate *if required*
- E. ☒ State Fiscal Accountability Authority Resolution and Public Notice *(original)*
Plus 4 copies for certification and return to bond counsel
- F. ☒ Draft bond counsel opinion letter
- G. ☐ Processing Fee

Amount: \$Click or tap here to enter text.

Check No: Click or tap here to enter text.

Payor: Click or tap here to enter text.

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

Bond Counsel:

Samuel W. Howell
Typed Name of Bond Counsel

By: _____

Signature

SFAA 06/19/2020

{10253-02 / 00088945 / V4}

KENT M. WILLIAMS

SERVING MARION, DILLON, FLORENCE,
MARLBORO AND HORRY COUNTIES
SENATORIAL DISTRICT 30

COMMITTEES:

AGRICULTURE AND NATURAL RESOURCES
BANKING AND INSURANCE
ETHICS
FINANCE
FISH, GAME AND FORESTRY
LABOR, COMMERCE AND INDUSTRY
OVERSIGHT COMMITTEE



COLUMBIA ADDRESS:

808 GRESSETTE SENATE BLDG
POST OFFICE BOX 142
COLUMBIA, SC 29202
TEL: (803) 212-6000
FAX: (803) 212-6299

EMAIL: KENTWILLIAMS@SCSENATE.GOV

HOME ADDRESS:

POST OFFICE BOX 1514
MARION, SC 29571
TELEPHONE: (843) 423-8237

December 8, 2021

Mr. Grant Gillespie, Executive Director
State Fiscal Accountability Authority
Wade Hampton Building, Ste 600
Columbia, SC 29201

Re: Letter of Support for the Proposed Dillon Graded School Apartments in Dillon, SC

Dear Mr. Gillespie;

As state senator for SC Senate District 30, I am writing to express and reiterate my wholehearted support of Tapestry Development Group, Inc. ("Tapestry") plans to redevelop the former Dillon Graded School into thirty-seven (37) affordable apartments for seniors in Dillon.

When last I wrote in support of this project, I mentioned that most historic buildings in S.C. have or are quickly reaching milestones of aging and dilapidation that place them in a crucial state of crisis. This is still true. Included amongst these endangered pieces of history is the Dillon Graded School, also known as J.V. Martin High School. Dillon Graded School closed in 2010 after 116 years of educating Dillon's youth, leaving educational spaces built beside one another during four major time periods all the way back to 1896 - a volume of American history to be found together nowhere else. For over a decade this historical treasure has sat vacant and awaited a new purpose.

Rehabilitated and saved for future generations, this school will once again house interactions and foundations for a multitude of community ties to find footing and take root, while offering the kind of medical, cultural, and outreach services that areas of rural America are in dire need of. As our society continues to age and grow, the way that Dillon Graded Apartments seeks to repurpose this building represents a new manner of caring for one another. I believe it is time to look to our past critically and thoughtfully, and with it seek to build a better future.

As a long-time South Carolina resident, I recognize the tremendous potential that redeveloping this property has for the City of Dillon and the substantial benefit for our community, citizens, and local economy. It will not only provide low-income housing options to our most vulnerable aging population but will also include amenities to spur additional economic development and investment in the City of Dillon. Across South Carolina, the lamentation of lost history grows with each condemned building as more realize the irrevocable nature of loss. Our history means the world to us, and I believe this project to be crucial and at a critical point to the revitalization of Dillon.

Please do not hesitate to contact me if you have any questions as you consider this project request.

Sincerely,

A handwritten signature in black ink, appearing to read "Kent Williams", with a stylized flourish at the end.

Kent Williams
SC Senate District 30
Serving Marion, Dillon, Florence,
Marlboro and Horry Counties

KENT M. WILLIAMS
SERVING MARION, DILLON, FLORENCE,
MARLBORO AND HORRY COUNTIES
SENATORIAL DISTRICT 30

COMMITTEES:
AGRICULTURE AND NATURAL RESOURCES
BANKING AND INSURANCE
ETHICS
FINANCE
FISH, GAME AND FORESTRY
LABOR, COMMERCE AND INDUSTRY



COLUMBIA ADDRESS:
608 GRESSETTE SENATE BLDG
POST OFFICE BOX 142
COLUMBIA, SC 29202
TEL: (803) 212-6000
FAX: (803) 212-6299
EMAIL: KENTWILLIAMS@SCSENATE.GOV

HOME ADDRESS:
POST OFFICE BOX 1514
MARION, SC 29571
TELEPHONE: (843) 423-8237

July 7, 2021

Mr. Grant Gillespie, Executive Director
State Fiscal Accountability Authority
Wade Hampton Building, Suite 600
Columbia, SC 29201

Re: Letter of Support for the Proposed Dillon Graded School Apartments in Dillon, SC

Dear Mr. Gillespie;

I am writing to express my wholehearted support of Tapestry Development Group, Inc. ("Tapestry") and their proposal to re-purpose the former Dillon Graded School into thirty-seven (37) affordable apartments for seniors in Dillon.

Many buildings in our state, with rich histories are quickly reaching milestones of aging and dilapidation that place them at risk for destruction. Included amongst these endangered pieces of history is the Dillon Graded School, also known as J.V. Martin High School. Dillon Graded School closed in 2010 after 116 years of educating Dillon's youth, leaving a facility that whose growth from 1896 to 2010 included a volume of history unique to rural education in South Carolina.

For over a decade this historical treasure has sat vacant and awaited a new purpose. Tapestry has the answer with their proposal to re-purpose this unique space for our seniors. Their belief that historic adaptive reuse preserves more than just a building, it rebuilds a community is a theme that resonates strongly with me.

Rehabilitated and saved for future generations, this school will once again house interactions and foundations for a multitude of community services, which could include medical, cultural, and outreach services that citizens of rural Dillon County so desperately need. As our society continues to age and grow, repurposing this building will provide a unique space to serve this population. This repurpose would tackle the needs of our community in a distinctive and innovative way. It can become the catalyst for change and represents a new manner of caring for seniors.

This project has tremendous potential. Re-purposing this property by Tapestry for the City of Dillon will provide a substantial benefit for our community, citizens, and local economy and has my strong and unreserved support. It will not only provide a low-income housing option to our most vulnerable population, but will also include amenities to spur additional economic development and investment in the City of Dillon. Our history means the world to us, and I believe this project represents how our history can help us learn and grow together in meaningful, productive, and long-lasting ways.

Please do not hesitate to contact me if you have any questions as you consider this project request.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kent Williams", is written over a horizontal line.

Kent Williams
Serving Marion, Dillon, Florence,
Marlboro and Horry Counties

Jackie E. "Coach" Hayes
District No. 55 - Darlington-Dillon-
Horry-Marlboro Counties
240 Bermuda Road
Dillon, SC 29536

Committee:
Ways and Means



333-C Blatt Building
P.O. Box 11867
Columbia, SC 29211

Tel. (803) 734-3099
jackiehayes@schouse.gov

House of Representatives
State of South Carolina

December 8th, 2021

Mr. Grant Gillespie, Executive Director
State Fiscal Accountability Authority
Wade Hampton Building, Ste 600
Columbia, SC 29201

Re: Letter of Support for the Proposed Dillon Graded School Apartments in Dillon, SC

Dear Mr. Gillespie;

I am writing to reiterate with emphasis my support of plans presented by Tapestry Development Group, Inc. ("Tapestry") to redevelop the former Dillon Graded School into thirty-seven (37) affordable apartments for seniors in the City of Dillon.

As a resident of the City of Dillon and as state representative for SC House District 55, I can attest unequivocally to the importance and significance that the redevelopment of this historic gem represents. New milestones in the dilapidation and aging of our historic buildings coincide with new and growing problems in rural America, and South Carolina must fight and act to reverse its share of rural decay. The increasing strain of today's markets only reaffirms and increases the need for projects like these.

Dillon Graded School closed its doors for good in 2010 after 116 years of educating Dillon's youth. Its present state does not represent its unmistakably unique historic importance of efforts to educate society since 1896. Sooner rather than later it will follow the road to condemnation that so many historic buildings in the rural south already have, and each passing day brings it closer to irrevocable ruin.

Unfortunately, historic schools such as Dillon Graded School are dilapidating across the US. Most severe in rural America, where economies are languishing and aging disproportionately, these and other architectural treasures exist in virtually every small and big town in the country, filled with unconsidered alternatives and benefits. In line with the process of rural decay, these areas are growingly afflicted with poverty, substandard living conditions, health inequality, and more, rendering our aging edifices either a timely solution or yet another problem. In today's times, June is as over as the industrial revolution, and we cannot afford not only delay, but also the tendency to do so. The time to rehabilitate the J.V. Martin School is now.

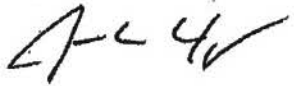
It is for all these reasons and with pressing urgency, that Tapestry's proposal for the adaptive reuse of this cherished school into housing for Dillon's aging population is so vital. Equally, this redevelopment reflects

sensitivity to a community's history and their most vulnerable citizens in need, and finds itself quite timely for the building as well as the community around it.

I recognize the tremendous potential that redeveloping this property has for the City of Dillon and the substantial benefit for our community, citizens, and local economy. Furthermore, I recognize that our future is in our hands; our elderly, and our growing families who need housing, our history, and its opportunities, and our home, and its unending beautification. Finally, I recognize the rising unpredictability of today, and with that I reiterate the tremendous need to act now.

Please do not hesitate to contact me if you have any questions as you consider this project request.

Sincerely,

A handwritten signature in black ink, appearing to read "J. E. Hayes" with a stylized flourish at the end.

House Representative Jackie E. Hayes

City of Dillon



401 West Main Street - PO Drawer 434
Dillon, SC 29536
(843) 774-0040 - Fax (843) 774-0050
www.cityofdillon.sc.gov

December 8, 2021

Mr. Grant Gillespie, Executive Director
State Fiscal Accountability Authority
Wade Hampton Building, Ste 600
Columbia, SC 29201

Re: Letter of Support for the Proposed Dillon Graded School Apartments in Dillon, SC

Dear Mr. Gillespie:

I am writing as I did in June to reiterate my firm support for the plan proposed by Tapestry Development to rehabilitate our beloved JV Martin High School, which is a historic treasure in dire need of rescue, into thirty-seven (37) units of affordable senior housing.

JV Martin has remained vacant for over a decade and counting, as I mentioned last. This letter is to advocate further for its priority as an agenda for South Carolina and in spite of recent churn in the nation. Historic buildings such as these are a tremendous opportunity for any small town like Dillon, but for every small town they are a problem and a blight until necessary hurdles can be lifted. Rehabilitating history to house our elders is an idea whose ingenuity is rapidly catching on, but hurdles and obstacles in market shift, global supplies, and investment are also rapidly taking pace. In short, this project is all the more important as we as a nation continue to assess our priorities.

My town of Dillon, like many a small town in rural America, has had to grapple more and more with the aging and gradual loss of our edificial history. Like many small towns, no other town can boast what our jewel can; ours representing architectural history in education dating back as far as 1896 and from every era in between, a volume of history found nowhere else.

However, this project is needed largely for reasons shared by many in the Rural United States, and that is to combat rural decay in all of its forms. Rehabilitating structures in disuse into active players in the community is a priority for progress in Dillon and will allow our residents more choice in life for our lifetimes and beyond. Tapestry's plan for the Dillon Graded Apartments, complete with a spectacular and comprehensive list of amenities, will not only solve a historic building conundrum for Dillon but also improve living and economic opportunities for the town and beyond. Further, the shifts and uncertainties in the markets and supply means our window for action is closing. This project is as crucial now as it ever was, yet its situation continues to become critical.

These historic vacancies are shackles on the feet of nearly every small town in the United States, and it is time for them to be reforged into tools for the future. The present depends on our firm grasp and understanding between our past and our future.

Rehabilitated and saved for future generations, this school will once again house life and community for the town of Dillon. Dillon Graded Apartments seeks to repurpose successful efforts to tackle new changes and uncertainties represents a new manner of caring for one another. As we continue to grow, we must ensure we have left ourselves enough space.

Please do not hesitate to contact me if you wish to discuss this project further.

Sincerely,


Dr. Phil Wallace
Mayor Pro-Tem

CERTIFICATE OF THE ALLOCATING AGENCY

DILLON GRADED SCHOOL APARTMENTS PROJECT

I, the undersigned, Bonita Shropshire, the duly qualified Executive Director of the South Carolina State Housing Finance and Development Authority (the "Authority") DO HEREBY CERTIFY that:

As provided in the 2020 South Carolina Qualified Allocation Plan (the "2020 QAP") pursuant to which the Authority administers its Low Income Housing Tax Credit Program, Low Income Housing Tax Credits (the "Tax Credits") are not allocated to developments financed through the issuance and sale of private activity bonds until each such development is placed in service;

As of the date hereof, the Authority is of the belief that should the construction of Dillon Graded School Apartments (the "Project") be carried out in the manner described in the Project's application, the Project will be a project described by the 2020 QAP as required by the provisions of Section 42(m)(1)(D) of the Internal Revenue Code of 1986, as amended (the "Code"). The above statement is predicated upon the assumption contained therein. A final determination as to whether or not the Project will be a project described in the 2020 QAP cannot be made until such time as the Project has been completed, placed in service, and has submitted an application to receive an allocation of Tax Credits; and

As of the date hereof, the Authority cannot make a final determination as to whether or not the Project will meet all of the requirements that will render it eligible to receive an allocation of Tax Credits, if any, for which the Project will qualify. The Authority's policy is not to make written determinations pursuant to Section 42(m)(2)(D) of the Code until the Project is placed in service. In the event that the Project is placed in service in accordance with the Code and the policies and procedures of the Authority and the Authority determines the Project to be eligible to receive an allocation of Tax Credits, the amount of such allocation will not be greater than that required for the basic financial feasibility of the Project and any determinations required by Section 42(m)(1)(D) and Section 42(m)(2)(D) will be done at that time.

IN WITNESS WHEREOF I have set my hand this 25th day of January, 2021.

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

By: Bonita Shropshire
Bonita Shropshire, Executive Director



South Carolina State Housing Finance and Development Authority
300-C Outlet Pointe Blvd., Columbia, South Carolina 29210
Telephone: 803.896.9001 TTY: 803.896.8831
SCHousing.com

Robert D. Mickle, Jr.
Chairman

Bonita H. Shropshire
Executive Director

December 8, 2021

RE: State Tax Credit Request- Dillon Graded School #52015

Dear Mr. Toppen:

The South Carolina State Housing Finance and Development Authority (SC Housing) has made a preliminary determination that the above-referenced Property may be eligible for approximately \$670,419.72 in South Carolina state housing tax credits (STC) under South Carolina Code of Laws Section 12-6-3795. This amount is subject to change and is not a final determination. If the Property meets the requirements below, the STC amount will be finalized with an Eligibility Statement issued in conjunction with the issuance of any Form 8609 for the federal housing tax credit.

The Property must:

1. Place in service after January 1, 2020 and before December 31, 2030;
2. Have restricted rents that do not exceed 30% of income for at least:
 - 40% of units occupied by households with incomes of 60% or less of the median income, or
 - 20% of units occupied by households with incomes of 50% or less of the median income; and
3. Comply with the applicable Qualified Allocation Plan, STC Implementation Policies, SC Housing Bulletin(s), and decisions made during application review; and
4. Comply with applicable guidance and policies as may be established by the South Carolina Department of Revenue, including, but not limited to, any filing requirements.

You must inform SC Housing at least 15 days in advance of a STC equity closing if the amount will vary by more than 5% from the equity commitment letter. The notice should include updated documentation from the syndicator indicating the specific changes.

Sincerely,

Kim Wilbourne

Kim Wilbourne
LIHTC Manager

HOUSING AUTHORITY OF THE CITY OF FLORENCE

**VERIFICATION REPORT FOR THE
MULTIFAMILY HOUSING REVENUE BONDS
(DILLON GRADED SCHOOL SENIOR APARTMENTS)
SERIES 2022**

CAUSEY DEMGEN & MOORE P.C.
Certified Public Accountants and Consultants

March __, 2021

Housing Authority of the City of Florence
400 East Pine Street
Florence, South Carolina 29506

Howell Linkous & Nettles, LLC
106 Broad Street
Charleston, South Carolina 29401

Dillon School Senior, LP
c/o Tapestry Development Group
708 Church Street
Decatur, Georgia 30030

Tiber Hudson LLC
1900 M Street Northwest, 3rd Floor
Washington, District of Columbia 20036

Stifel, Nicolaus & Company, Incorporated
400 Convention Street
Baton Rouge, Louisiana 70802

We have completed our engagement to verify the mathematical accuracy of the computations relating to (a) the adequacy of cash plus U.S. Treasury Securities (State and Local Government Series) (herein referred to as the "Eligible Investments") to be held in a bond fund to pay the debt service requirements of the Multifamily Housing Revenue Bonds (Dillon Graded School Senior Apartments), Series 2022 (herein referred to as the "2022 Bonds") to be issued by the Housing Authority of the City of Florence (herein referred to as the "Authority") for the benefit of Dillon School Senior, LP (herein referred to as the "Borrower"), (b) the yield on the 2022 Bonds and (c) the yield on the Eligible Investments. We express no opinion as to the attainability of the assumptions underlying the computations or the tax-exempt status of the 2022 Bonds. Our verification was performed solely on the information contained in certain schedules of proposed transactions provided by Tiber Hudson LLC. In the course of our engagement to verify the mathematical accuracy of the computations in the schedules provided to us, we prepared Exhibits A through C attached hereto and made a part hereof.

The scope of our engagement consisted of performing the procedures described herein. These procedures were performed in a manner that we deem to be appropriate.

The accompanying exhibits of proposed transactions were prepared on the basis of assumptions underlying the computations and in accordance with the procedures described herein. We did not independently confirm the information used with outside parties.

OUR UNDERSTANDING OF THE TRANSACTION

The Authority intends to issue the 2022 Bonds on March 15, 2022 to fund a loan (herein referred to as the "2022 Loan") to the Borrower. The Borrower intends to use the proceeds of the 2022 Loan

to finance the acquisition, rehabilitation, and equipping of a multifamily housing project. Eligible Funds will be used to purchase the Eligible Investments and to provide cash that will be deposited into a bond fund to be used to pay the debt service requirements of the 2022 Bonds.

The Trustee for the 2022 Bonds will pay the debt service requirements of the 2022 Bonds on each scheduled payment date through and including October 1, 2024, and will pay the purchase price of the 2022 Bonds on October 1, 2024, which is the initial mandatory tender date for the 2022 Bonds (herein referred to as the "Initial Mandatory Tender Date"), in an amount equal to 100% of par.

BOND FUND TRANSACTIONS

We verified the mathematical accuracy of the accompanying calculations of the Bond Fund transactions proposed to pay the debt service requirements of the 2022 Bonds.

The debt service requirements of the 2022 Bonds will be satisfied by the purchase of the Eligible Investments (as described in Exhibit A-2) plus \$0.70 in cash. The Eligible Investments and cash will be irrevocably placed in a bond fund and held therein until the debt service requirements of the 2022 Bonds are paid as previously described.

We compared the subscribed interest rates of the Eligible Investments to be purchased and placed in the Bond Fund with the maximum allowable interest rates as published in the SLGS Daily Rate Table by the Bureau of the Fiscal Service for March __, 2022 and found the subscribed rates to be less than or equal to the maximum allowable rates that were in effect on the subscription date for each applicable maturity date.

Based on the procedures and information set forth above, the computations provided to us and represented in Exhibits A through B-1, which indicate that the Eligible Investments and cash proposed to be placed in a bond fund by the Borrower will produce the amounts necessary to provide for the timely payment of the proposed debt payment schedule on the 2022 Bonds through and including the Initial Mandatory Tender Date, are mathematically correct.

YIELD ON THE 2021 BONDS

We verified the mathematical accuracy of the accompanying computations of the yield on the 2022 Bonds as of March 15, 2022. For purposes of this calculation, yield is defined as the rate of interest which, using the assumptions and procedures set forth herein, discounts the adjusted payments to be made on the 2022 Bonds, assuming the 2022 Bonds will be paid in full at 100% of par on the Initial Mandatory Tender Date, to an amount equal to the target purchase price of the 2022 Bonds. The computations were made using a 360-day year with interest compounded semi-annually and treated the \$10,000,000.00 par amount of the 2022 Bonds as the target purchase price.

Based upon the assumptions, procedures and information set forth above, the computations provided to us and represented in Exhibits B and B-1, which indicate that the yield on the 2022 Bonds is 0.74997%, are mathematically correct.

YIELD ON THE ELIGIBLE INVESTMENTS

We verified the mathematical accuracy of the accompanying computation of the yield on the investment in the Eligible Investments based on an assumed settlement date of March 15, 2022 and a purchase price of \$9,987,354.00. For purposes of this calculation, yield is defined as the rate of interest which, using the assumptions and procedures set forth herein, discounts the cash receipts from the Eligible Investments to an amount equal to the purchase price of the Eligible Investments. The computations were made using a 360-day year with interest compounded semi-annually and were based on the dates the funds are to be received in the bond fund, and assume that all cash balances are not reinvested.

Based upon the assumptions, procedures and information set forth above, the computations presented in Exhibit C, which indicate that the yield on the Eligible Investments is 0.80069% (which is greater than the yield on the 2022 Bonds), are mathematically correct.

Because the yield on the Eligible Investments exceeds the yield on the 2022 Bonds, it is likely that the Borrower will be required to make a yield reduction payment and/or an arbitrage rebate payment on or shortly after the date on which the 2022 Bonds are fully retired. We assume that the Borrower will make any such payments promptly and in full to the extent such payments are required.

USE OF THIS REPORT

It is understood that this report is solely for the information of and assistance to the addressees hereof in connection with the issuance of the 2022 Bonds and is not to be used, relied upon, circulated, quoted or otherwise referred to for any other purpose without our written consent, except that (i) reference may be made to the report in the Official Statement for the 2022 Bonds, (ii) reference may be made to the report in the purchase contract or in any closing documents pertaining to the issuance of the 2022 Bonds, (iii) the report may be used in its entirety as an exhibit to the Trust Indenture for the 2022 Bonds, (iv) the report may be relied upon by Bond Counsel in connection with its opinion concerning the 2022 Bonds, (v) the report may be relied upon by any rating agency or bond insurer that shall have rated or insured or that will rate or insure the 2022 Bonds, and (vi) the report may be relied upon by the Paying Agent for the 2022 Bonds.

The scope of our engagement is deemed by the addressees hereto to be sufficient to assist such parties in evaluating the mathematical accuracy of the various computations cited above. The sufficiency of this scope is solely the responsibility of the specified users of this report and should not be taken to supplant any additional inquiries or procedures that the users would undertake in their consideration of the transaction described herein. We make no representation regarding the sufficiency of the scope of this engagement. This report should not be used by any party who does not agree to the scope set forth herein and who does not take responsibility for the sufficiency and appropriateness of such scope for their purposes.

Housing Authority of the City of Florence

March __, 2021

Page 4

We have no obligation to update this report because of events, circumstances, or transactions occurring subsequent to the date of this report.

Very truly yours,

EXHIBIT A

**HOUSING AUTHORITY OF THE CITY OF FLORENCE
MULTIFAMILY HOUSING REVENUE BONDS
(DILLON GRADED SCHOOL SENIOR APARTMENTS)
SERIES 2022**

**BOND FUND CASH FLOW
AS OF MARCH 15, 2022**

Date	Cash Receipts from the Eligible Investments (Exhibit A-1)	Cash Disbursements (Exhibit B-1)	Cash Balance
Beginning Balance:			\$0.70
01-Oct-22	\$43,680.95	\$40,833.33	2,848.32
01-Apr-23	39,949.42	37,500.00	5,297.74
01-Oct-23	39,949.42	37,500.00	7,747.16
01-Apr-24	39,949.42	37,500.00	10,196.58
01-Oct-24	10,027,303.42	10,037,500.00	0.00
	<u>\$10,190,832.63</u>	<u>\$10,190,833.33</u>	

EXHIBIT A-1

**HOUSING AUTHORITY OF THE CITY OF FLORENCE
MULTIFAMILY HOUSING REVENUE BONDS
(DILLON GRADED SCHOOL SENIOR APARTMENTS)
SERIES 2022**

**CASH RECEIPTS FROM THE ELIGIBLE INVESTMENTS
AS OF MARCH 15, 2022**

	\$9,987,354.00	
	0.800000%	Total
Payment	SLGS (2)	Cash
Date	01-Oct-24	Receipts
01-Oct-22	\$43,680.95	\$43,680.95
01-Apr-23	39,949.42	39,949.42
01-Oct-23	39,949.42	39,949.42
01-Apr-24	39,949.42	39,949.42
01-Oct-24	10,027,303.42	10,027,303.42
	<u>\$10,190,832.63</u>	<u>\$10,190,832.63</u>

- (1) U.S. Treasury Certificate of Indebtedness (State and
(2) U.S. Treasury Note or Bond (State and Local Government Series)

EXHIBIT A-2

**HOUSING AUTHORITY OF THE CITY OF FLORENCE
MULTIFAMILY HOUSING REVENUE BONDS
(DILLON GRADED SCHOOL SENIOR APARTMENTS)
SERIES 2022**

**DESCRIPTION OF THE ELIGIBLE INVESTMENTS
AS OF MARCH 15, 2022**

Type	Settlement Date	Maturity Date	Par Amount	Coupon Rate	Price	Total Cost
SLGS	15-Mar-22	01-Oct-24	\$9,987,354.00	0.800%	100.000000%	\$9,987,354.00
			<u>\$9,987,354.00</u>			<u>\$9,987,354.00</u>

EXHIBIT B

**HOUSING AUTHORITY OF THE CITY OF FLORENCE
MULTIFAMILY HOUSING REVENUE BONDS
(DILLON GRADED SCHOOL SENIOR APARTMENTS)
SERIES 2022**

**YIELD ON THE 2022 BONDS
THROUGH THE INITIAL MANDATORY TENDER DATE
AS OF MARCH 15, 2022**

Payment Date	Total Debt Payment (Exhibit B-1)	Present Value at March 15, 2022
		Using a Semi-Annually Compounded Yield of 0.74997%
01-Oct-22	\$40,833.33	\$40,667.25
01-Apr-23	37,500.00	37,207.95
01-Oct-23	37,500.00	37,068.95
01-Apr-24	37,500.00	36,930.47
01-Oct-24	10,037,500.00	9,848,125.38
	<u>\$10,190,833.33</u>	<u>\$10,000,000.00</u>

Dated Date: 15-Mar-22

Delivery Date: 15-Mar-22

The above aggregate present value of the future payments
equals the following:

Par Value of the Issue	<u>\$10,000,000.00</u>
Proceeds on Delivery Date	<u>\$10,000,000.00</u>