

# STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, October 18, 2022 -- 4:00 P. M.

Room 252, Edgar A. Brown Building

---

## *AGENDA INDEX*

---

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
<b>A.</b>	<b>ADOPTION OF PROPOSED AGENDA</b>	
<b>B.</b>	<b>REGULAR SESSION</b>	
1.	State Treasurer's Office	Bond Counsel Selection
2.	South Carolina Department of Commerce	N/E \$70,300,000 General Obligation State Economic Development Bonds of the State of South Carolina

---

**AGENCY:** State Treasurer's Office

---

**SUBJECT:** Bond Counsel Selection

**GENERAL OBLIGATION / REVENUE ISSUES:**

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$70,300,000; General Obligation State Economic Development Bonds; Series 2023	State of South Carolina – (Project Managed by SC Department of Commerce)	Haynsworth Sinkler Boyd - Theodore DuBose	South Carolina Attorney General	9/23/2022

---

**AUTHORITY ACTION REQUESTED:**

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

---

**ATTACHMENTS:**

Bond Counsel Selection Approved by the State Treasurer's Office



The State Treasurer advises the State Fiscal Accountability Authority, for informational purposes,  
of the firms selected and approved for its October 18, 2022 meeting:

**GENERAL OBLIGATION / REVENUE ISSUES:**

<b>Description of Issue</b>	<b>Agency/Institution (Borrower)</b>	<b>Bond Counsel</b>	<b>Issuer's Counsel</b>	<b>Date STO Approved</b>
\$70,300,000; General Obligation State Economic Development Bonds; Series 2023	State of South Carolina – (Project Managed by SC Department of Commerce)	Haynsworth Sinkler Boyd - Theodore DuBose	South Carolina Attorney General	9/23/2022

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF October 18, 2022

ITEM NUMBER 2

---

AGENCY: South Carolina Department of Commerce

---

SUBJECT: Not Exceeding \$70,300,000 General Obligation State Economic Development Bonds of the State of South Carolina

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$70,300,000 General Obligation State Economic Development Bonds of the State of South Carolina.

The proceeds of the bonds will be used to defray the cost of certain infrastructure proposed to be developed in connection with an Economic Development Project, Project Samurai.

---

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$70,300,000 General Obligation State Economic Development Bonds of the State of South Carolina for Project Samurai.

---

ATTACHMENTS:

DuBose letter with attachments; NDIF; Resolution



# OFFICE OF STATE TREASURER

## New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 10/18/22

Final Version Date: 00/00/00

### 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: State of South Carolina Series: 2023

Borrower (if not Issuer): \_\_\_\_\_

Bond Caption: General Obligation State Economic Development Bonds

Bond Resolution Amount: \$ 70,300,000 Est. Production/Par Amt: \$ 62,050,000

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

Final Production/Par Amt: \$ -

**Submitted By:**

ENTITY	SC Department of Commerce
BY:	Theodore B. DuBose
ITS:	Bond Counsel
Tel:	803.540.7830
Email:	tdubose@hsblawfirm.com

**Transaction Type/Method of Sale:**

<input checked="" type="checkbox"/>	Public Offering:	Competitive:	<input checked="" type="checkbox"/>	Negotiated:
<input type="checkbox"/>	Direct Placement:	Competitive:	<input type="checkbox"/>	Negotiated:
<input type="checkbox"/>	Governmental Loan/Governmental Purchaser			
<input type="checkbox"/>	Other:			

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

MSRB (EMMA) Continuing Disclosure Responsible Party: STO

### 2. FINANCING (NEW PORTION)

Project #: \_\_\_\_\_ Project Name: Samurai

Project Address/Location: TBD Amount: \$ 70,300,000

Project Type: manufacturing County: TBD

Projected Avg Interest Rate: 3.62% (All-in TIC) Final Maturity: 4/1/2043 (Preliminary)

### 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:	Public Resources Advisory Group	Disclosure Counsel:	Howell Linkous & Nettles
Bond Counsel:	Haynsworth Sinkler Boyd	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 Project consists of a manufacturing facility for certain products for use in the automotive industry. Bond-financed infrastructure includes water and sewer improvements, road improvements, and a training facility. Costs of issuance of the bonds are calculated at the anticipated par amount of \$62.1 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. The Office of State Treasurer may issue the bonds as part of a larger transaction to reduce costs if appropriate.

### 6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	09/30/22	Commerce
JBRC Approval:	10/18/22	Proposed
SFAA Approval:	10/18/22	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

TBD

TBD

Sq. Footage -  
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
\$ 1,462,000	12/31/2022	
18,688,500	6/30/2023	
42,219,000	12/31/2023	
7,630,500	6/1/2024	
-		
-		
\$ 70,000,000		

## 8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 62,050,000	\$ 70,000,000	Project Fund
(b) Premium/Accr. Int.	8,498,734	-	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	-	548,734	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
<b>Total Project Sources</b>	<b>\$ 70,548,734</b>	<b>\$ 70,548,734</b>	<b>Total Project Uses</b>
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			\$ 45,000	\$ -	\$ 45,000
Bond Counsel	Haynsworth Sinkler Boyd			31,025	-	31,025
Disclosure Counsel	Howell Linkous & Nettles			25,000	-	25,000
Issuer's Counsel				-	-	-
Underwriter's Counsel				-	-	-
Transaction Counsel				-	-	-
Legal Expenses				-	-	-
Rating Agency - S&P				58,500	-	58,500
Rating Agency - Moody's				26,500	-	26,500
Rating Agency - Fitch				32,000	-	32,000
Underwriter's Compensation	TBD - Competitive			310,250	-	310,250
Registrar / Paying Agent	U.S. Bank National Assoc.			10,000	-	10,000
Escrow Agent				-	-	-
Accountant				-	-	-
Verification Agent				-	-	-
Printing	ImageMaster			3,000	-	3,000
Publishing	IPREO			1,500	-	1,500
Advertising	Bond Buyer			1,500	-	1,500
Contingency				4,459	-	4,459
Issuer's Fee	SC JEDA / SC SHFDA			-	-	-
				<b>\$ 548,734</b>	<b>\$ -</b>	<b>\$ 548,734</b>

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

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

0.07%	#DIV/0!
0.05%	#DIV/0!
0.09%	#DIV/0!
0.19%	#DIV/0!

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

0.50%	#DIV/0!
0.03%	#DIV/0!
0.88%	#DIV/0!



## 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:** 9/30/2022

**Submitted for SFAA Meeting on:**  
10/18/2022

**FROM:** Haynsworth Sinkler Boyd, P.A.

Post Office Box 11889  
Columbia  
South Carolina 29211

**RE: State General Obligation Economic Development Bonds**

**Project Issue Date:** 2/1/2023

**Project Name:** State General Obligation Economic Development Bonds

**Project Description:** Publicly-owned road, waterworks and wastewater improvements and training center in connection with Project Samurai.

**Employment as a result of the project:** 400+

	YES	NO	AMOUNT
<b>Ceiling Allocation</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.
<b>Refunding Involved</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.
<b>Project Approved Previously</b>	<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 3 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.

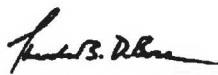
Check No: Click or tap here to enter text.

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. **To be provided upon receipt from Dept of Commerce.**
- K. ☒ All documents have been uploaded to the SFAA Authority File Drop.

Bond Counsel: Theodore B. DuBose  
Typed Name of Bond Counsel

By: \_\_\_\_\_



Signature

**HAYNSWORTH  
SINKLER BOYD**

HAYNSWORTH SINKLER BOYD, P.A.  
1201 MAIN STREET, 22<sup>ND</sup> FLOOR  
P.O. BOX 11889 (29211)  
COLUMBIA, SOUTH CAROLINA 29201  
MAIN 803.779.3080  
FAX 803.765.1243  
www.hsblawfirm.com

\_\_\_\_\_, 202\_

South Carolina State Fiscal Accountability Authority  
Columbia, South Carolina

Re: \$70,300,000 General Obligation State Economic Development Bonds,  
Series 202\_, of the State of South Carolina

Ladies and Gentlemen:

We have acted as Bond Counsel to the State of South Carolina (the "State") in connection with the issuance of \$70,300,000 General Obligation State Economic Development Refunding Bonds, Series 202\_, of the State of South Carolina (the "Bonds"), dated \_\_\_\_\_, 202\_. In such capacity, we have examined such laws and such certified proceedings and other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to and in accordance with the Constitution and laws of the State, including, particularly, the provisions of Sections 11-41-10 through 11-41-180, inclusive, as supplemented by Section 11-27-30 of the Code of Laws of South Carolina, 1976, as amended (collectively, the "Bond Enabling Act"), and a resolution duly adopted on \_\_\_\_\_, 2022 (the "Bond Resolution"), by the State Fiscal Accountability Authority (the "Authority"), for the purpose of raising funds for purposes authorized by the Bond Enabling Act, and to pay the costs of issuance of the Bonds.

As to questions of fact material to our opinion, we have relied upon the Transcript of Proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of any information provided by the State or others relating to the Bonds, and we express no opinion relating thereto.

Based upon the foregoing, we are of the opinion, as of the date hereof and under existing law, that the Bonds are valid and legally binding general obligations of the State. The full faith, credit, and taxing power of the State are pledged to the payment of the principal of and interest on the Bonds as they become due and payable. 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 the Bonds.

South Carolina State Fiscal Accountability Authority

\_\_\_\_\_, 202\_

Page 2

The Bonds and the interest thereon (including any original issue discount properly allocable to an owner thereof) are exempt from all state, county, school district, municipal and all other taxes or assessments of the State of South Carolina, except inheritance, estate, transfer or certain franchise taxes. It should be noted, however, that §12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in the State a fee or franchise tax computed on the entire net income of such bank, which includes interest paid on the Bonds. We express no opinion regarding other state tax consequences arising with respect to the Bonds.

Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income of the registered owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on those corporations for tax years beginning after December 31, 2022. The opinion set forth in the preceding sentence is subject to the condition that the Town comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Town has covenanted to comply with all such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement dated \_\_\_\_\_, 202\_, or the Official Statement dated \_\_\_\_\_, 202\_, relating to the Bonds. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to judicial discretion, the valid exercise of the sovereign police powers of the State and of the constitutional powers of the United States of America, and to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore and hereafter enacted to the extent constitutionally applicable.

We have examined a specimen Bond of this issue and, in our opinion, it is in due form of law.

Very truly yours,

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING IN THE AGGREGATE SEVENTY MILLION THREE HUNDRED THOUSAND DOLLARS (\$70,300,000) PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS 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.



## TABLE OF CONTENTS

### ARTICLE I FINDINGS OF FACT

Section 1.01	General Findings of Authorization.....	1
Section 1.02	Satisfaction of Bond Notification Requirements.....	1
Section 1.03	Provisions Relating to Debt Limitations .....	2
Section 1.04	Determination of Compliance With Debt Limitations .....	3
Section 1.05	Determination of Amount of Economic Development Bonds Herein Authorized.....	4

### ARTICLE II DEFINITIONS AND CONSTRUCTION

Section 2.01	Definitions.....	5
Section 2.02	Construction.....	7

### ARTICLE III ISSUANCE OF BONDS

Section 3.01	Direction to Governor and State Treasurer .....	8
Section 3.02	Ordering the Issuance of Bonds .....	8
Section 3.03	Maturity Schedule of Bonds.....	8
Section 3.04	Provision for Payment of Interest on the Bonds.....	8
Section 3.05	Medium of Payment; Form and Denomination of Bonds; Place of Payment of Principal.....	8
Section 3.06	Agreement to Maintain Registrar and Paying Agent .....	9
Section 3.07	Execution and Authentication .....	9
Section 3.08	Exchange of Bonds .....	9
Section 3.09	Transferability and Registry.....	10
Section 3.10	Transfer of Bonds.....	10
Section 3.11	Regulations with Respect to Exchanges and Transfers.....	10
Section 3.12	Mutilated, Destroyed, Lost and Stolen Bonds.....	10
Section 3.13	Holder as Owner of Bond .....	11
Section 3.14	Cancellation of Bonds .....	11
Section 3.15	Payments Due on Saturdays, Sundays and Holidays .....	11
Section 3.16	Conditions Relating to Naming of Interest Rates.....	11
Section 3.17	Tax Exemption in South Carolina.....	12
Section 3.18	Pledge of Full Faith, Credit and Taxing Power.....	12
Section 3.19	Bonds Issued in Book-Entry Only Form.....	12
Section 3.20	Form of Bonds .....	13
Section 3.21	Borrowing in Anticipation of Issuance of Bonds .....	13

### ARTICLE IV REDEMPTION OR PURCHASE OF BONDS

Section 4.01	Authorization of Redemption.....	16
Section 4.02	State's Election to Redeem .....	16
Section 4.03	Notice of Redemption .....	16
Section 4.04	Selection by Registrar of Bonds to be Redeemed .....	17
Section 4.05	Deposit of Redemption Price .....	17
Section 4.06	Partial Redemption of Bonds .....	17
Section 4.07	Purchases of Bonds Outstanding.....	17

### ARTICLE V SALE OF BONDS

Section 5.01	Determination of Time to Receive Bids; Form of Notice of Sale .....	18
Section 5.02	Award of Bonds .....	18
Section 5.03	Official Statement .....	19

Section 5.04	Combined Sales .....	19
ARTICLE VI		
DISPOSITION OF PROCEEDS OF SALE OF BONDS		
Section 6.01	Disposition of Bond Proceeds Including Temporary Investments .....	20
ARTICLE VII		
DEFEASANCE OF BONDS		
Section 7.01	Discharge of Resolution; Where and How Bonds Are Deemed to Have Been Paid and Defeased.....	21
Section 7.02	Notice of Defeasance .....	22
ARTICLE VIII		
CONCERNING THE FIDUCIARIES		
Section 8.01	Fiduciaries; Appointment and Acceptance of Duties .....	23
Section 8.02	Responsibilities of Fiduciaries .....	23
Section 8.03	Evidence on Which Fiduciaries May Act .....	23
Section 8.04	Compensation .....	23
Section 8.05	Certain Permitted Acts .....	24
Section 8.06	Resignation of Any Fiduciary .....	24
Section 8.07	Removal of Fiduciary.....	24
Section 8.08	Appointment of Successor Fiduciaries.....	24
Section 8.09	Transfer of Rights and Property to Successor .....	24
Section 8.10	Merger or Consolidation .....	25
Section 8.11	Adoption of Authentication.....	25
ARTICLE IX		
FEDERAL TAX CONSIDERATIONS		
Section 9.01	Compliance with the Code.....	26
Section 9.02	Tax Representations and Covenants .....	26
Section 9.03	Arbitrage Bonds .....	28
Section 9.04	Taxable Series; Inapplicability of this Article.....	29
ARTICLE X		
MISCELLANEOUS		
Section 10.01	Failure to Present Bonds .....	30
Section 10.02	Severability of Invalid Provisions .....	30
Section 10.03	Resolution to Constitute Contract .....	30
Section 10.04	Execution of Closing Documents and Certificates.....	30
Section 10.05	Filing of Copies of Resolution .....	30
Section 10.06	Benefits of Resolution Limited to the State and Holders of the Bonds.....	31
Section 10.07	No Personal Liability .....	31
Section 10.08	Continuing Disclosure.....	31
Section 10.09	Reimbursement Declaration.....	32
Section 10.10	Law and Place of Enforcement of this Resolution .....	32
Section 10.11	Effect of Article and Section Headings and Table of Contents.....	32
Section 10.12	Repeal of Inconsistent Resolutions .....	32
Section 10.13	Effectiveness of this Resolution.....	33
EXHIBIT A	MATERIALS SUBMITTED IN COMPLIANCE WITH THE BOND NOTIFICATION REQUIREMENTS OF THE ENABLING ACT.	
EXHIBIT B	PRO FORMA PRINCIPAL AND INTEREST REQUIREMENTS FOR THE NOT EXCEEDING \$70,300,000 PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS TO BE ISSUED PURSUANT TO	

	SECTION 11-41-50(A) OF THE ENABLING ACT AT PREVAILING AND ANTICIPATED RATES OF INTEREST.
EXHIBIT C	PRO FORMA PRINCIPAL AND INTEREST REQUIREMENTS FOR ALL CURRENTLY OUTSTANDING STATE GENERAL OBLIGATION DEBT SUBJECT TO THE CONSTITUTIONAL AND STATUTORY FIVE PERCENT (5%) LIMITATION.
EXHIBIT D	PRO FORMA PRINCIPAL AND INTEREST REQUIREMENTS FOR ALL CURRENTLY OUTSTANDING STATE GENERAL OBLIGATION DEBT SUBJECT TO THE CONSTITUTIONAL AND STATUTORY FIVE AND ONE-HALF PERCENT (5.5%) LIMITATION, INCLUDING ALL GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS ISSUED PURSUANT TO SECTIONS 11-41-50(A) AND 11-41-50(C) OF THE ENABLING ACT AND THE NOT EXCEEDING \$70,300,000 PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS TO BE ISSUED PURSUANT TO SECTION 11-41-50(A) OF THE ENABLING ACT AT PREVAILING AND ANTICIPATED RATES OF INTEREST, ALL SUCH DEBT SUBJECT TO THE FIVE AND ONE-HALF PERCENT (5.5%) LIMITATION.
EXHIBIT E	PRO FORMA PRINCIPAL AND INTEREST REQUIREMENTS FOR ALL CURRENTLY OUTSTANDING GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS ISSUED PURSUANT TO SECTION 11-41-50(A) OF THE ENABLING ACT ALL SUCH DEBT SUBJECT TO THE ONE-HALF OF ONE PERCENT (0.5%) LIMITATION AND THE NOT EXCEEDING \$70,300,000 PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS TO BE ISSUED PURSUANT TO SECTION 11-41-50(A) OF THE ENABLING ACT AT PREVAILING AND ANTICIPATED RATES OF INTEREST, ALL SUCH DEBT SUBJECT TO THE ONE-HALF PERCENT (0.5%) LIMITATION.
EXHIBIT F	FORM OF CERTIFICATE OF STATE AUDITOR AS TO CONSTITUTIONAL AND STATUTORY DEBT LIMIT.
EXHIBIT G	FORM OF CERTIFICATE OF STATE TREASURER AS TO CONSTITUTIONAL AND STATUTORY DEBT LIMIT.
EXHIBIT H	FORM OF OFFICIAL NOTICE OF SALE.
EXHIBIT I	FORM OF BONDS.
EXHIBIT J	FORM OF CONTINUING DISCLOSURE UNDERTAKING.

## A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING IN THE AGGREGATE SEVENTY MILLION THREE HUNDRED THOUSAND DOLLARS (\$70,300,000) PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS 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 and the issuance of the bonds provided for herein, the State Fiscal Accountability Authority of the State of South Carolina (the "State 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

The State Authority is authorized by Chapter 41, Title 11 of the Code of Laws of South Carolina, 1976, as amended (the "Enabling Act") to make provision for the issuance of General Obligation State Economic Development Bonds ("Economic Development Bonds") in order to raise funds to be allocated to the State Department of Commerce (the "Department") in order to finance the development of infrastructure relating to economic development projects.

##### Section 1.02 Satisfaction of Bond Notification Requirements

The Department, in accordance with Section 11-41-70 of the Enabling Act, has notified the Joint Bond Review Committee and the State Authority, pursuant to a certificate attached hereto as Exhibit A, of the following:

- (a) an amount required for allocation to the Department to defray the costs of certain infrastructure (the "Infrastructure") proposed to be developed in connection with an Economic Development Project and as more fully described in Attachment A-1 of Exhibit A attached hereto;
- (b) a description of the Infrastructure, including a certification by the Secretary of the Department that the Economic Development Project to benefit from the expenditure of the proceeds of Economic Development Bonds consists of (i) a present investment by the Sponsor (as defined in the Enabling Act) at such Economic Development Project of not less than \$400,000,000, and (ii) the creation at such Economic Development Project by the Sponsor of no fewer than 400 new jobs;
- (c) a tentative time schedule setting forth the period of time during which the sum requested is to be expended is set forth in Attachment A-2 of Exhibit A attached hereto;
- (d) a debt service table showing the annual principal and interest requirements for all Economic Development Bonds now outstanding is set forth in Attachment A-3 of Exhibit A attached hereto; and
- (e) the total amount of all Economic Development Bonds previously issued.

### Section 1.03 Provisions Relating to Debt Limitations

(a) Article X, Section 13(6)(c) of the South Carolina Constitution, 1895, as amended (the “South Carolina Constitution”) initially limited the issuance of general obligation debt of the State of South Carolina (the “State”) such that maximum annual debt service on all general obligation bonds of the State, excluding state highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes, must not exceed five percent (5.0%), of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds. As authorized by Article X, Section 13(6)(c) of the South Carolina Constitution, however, the General Assembly in 2002 and pursuant to Section 11-41-20(3) of the Enabling Act, increased the limitation imposed by Article X, Section 13(6)(c) on general obligation debt to five and one-half percent (5.5%), with the additional debt service capacity available at any time as a consequence of such increase available only for the repayment of Economic Development Bonds.

(b) In 2009, the General Assembly, pursuant to Article X, Section 13(5) of the South Carolina Constitution, authorized Economic Development Bonds to be issued in a principal amount of \$170,000,000 outstanding from time to time. This category of Economic Development Bonds which is set forth in Section 11-41-50(B) of the Enabling Act is not subject to the limitation on maximum annual debt service prescribed by Article X, Section 13(6)(c) of the South Carolina Constitution.

(c) The General Assembly in 2013 created pursuant to Section 11-41-50(C) of the Enabling Act a third category of Economic Development Bonds that is in addition to and exclusive of the Economic Development Bonds that are provided for and described in paragraphs (a) and (b) above. Economic Development Bonds issued pursuant to Section 11-41-50(C) of the Enabling Act are subject to the five percent (5.0%) constitutional debt limitation.

(d) As last amended in 2013, Section 11-41-50(A) of the Enabling Act, provides that the maximum annual debt service on all general obligation bonds of the State, including Economic Development Bonds (except those described in paragraph (b) above), but excluding research university infrastructure bonds issued pursuant to Chapter 51 of Title 11 of the Code of Laws of South Carolina, 1976, as amended (the “South Carolina Code”), state highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes, may not exceed five and one-half percent (5.5%) of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds. In addition, the State at any time may not have outstanding general obligation bonds including Economic Development Bonds described in paragraph (c) above, but excluding Economic Development Bonds, which are subject to the one-half of one percent (0.5%) debt service limitation described in paragraph (a) above, that category of Economic Development Bonds described in paragraph (b) above, research university infrastructure bonds issued pursuant to Chapter 51 of Title 11 of the South Carolina Code, state highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes, the maximum annual debt service on which exceeds five percent (5.0%) of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds.

(e) Further, Section 11-41-60 of the Enabling Act, as last amended in 2013, provides that the maximum annual debt service on Economic Development Bonds described in Section 11-41-50(A) of the Enabling Act, must not exceed one-half of one percent (0.5%) of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds. Section 11-41-60 of the Enabling Act further provides that the maximum annual debt service on (i) Economic Development Bonds described in paragraph (c) above and (ii) all other general obligation bonds issued under the five percent (5.0%) debt service limitation provided by Article X, Section 13(6)(c) of the South Carolina Constitution which limitation does not include Economic Development

Bonds described in paragraphs (a) and (b) above, research university infrastructure bonds issued pursuant to Chapter 51 of Title 11 of the South Carolina Code, state highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes, must not exceed five percent (5.0%) of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds.

Section 1.04    Determination of Compliance With Debt Limitations

(a)    Insofar as the constitutional and statutory limitations on the issuance of general obligation bonds of the State are concerned, the five percent (5.0%), the five and one-half percent (5.5%) and the one-half of one percent (0.5%) debt service limitations referred to in Section 1.03 above will be applied herein to general revenues of the State for the fiscal year ended June 30, 2021 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds). The Bonds herein authorized shall not be issued, assuming such issuance will occur during the fiscal year to end June 30, 2023, until general revenues of the State (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) for the fiscal year ended June 30, 2022 have been certified and the tests herein described applied based thereon.

(b)    Attached as Exhibit B to this Resolution is a pro forma schedule showing debt service requirements on the proposed Economic Development Bonds at prevailing interest rates.

(c)    Attached as Exhibit C to this Resolution is a schedule showing total debt service on outstanding general obligation debt of the State subject to the five percent (5.0%) debt service limitation, which includes all Economic Development Bonds, except those described in paragraph (b) of Section 1.03 hereof, but excluding research university infrastructure bonds issued pursuant to Chapter 51 of Title 11 of the South Carolina Code, state highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes.

(d)    Attached as Exhibit D to this Resolution is a schedule showing total debt service on outstanding general obligation debt of the State subject to the five and one-half percent (5.5%) debt service limitation including all Economic Development Bonds, except those described in paragraph (b) of Section 1.03 hereof, and debt service requirements on the proposed Economic Development Bonds at prevailing interest rates, but excluding research university infrastructure bonds issued pursuant to Chapter 51 of Title 11 of the South Carolina Code, state highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes.

(e)    Attached as Exhibit E to this Resolution is a schedule showing total debt service on outstanding Economic Development Bonds subject to the one-half of one percent (0.5%) debt service limitation and debt service requirements on the proposed Economic Development Bonds at prevailing interest rates.

(f)    Assuming the Economic Development Bonds authorized hereby are delivered during the fiscal year to end June 30, 2023, then prior to the issuance of the Economic Development Bonds authorized hereby, the State Auditor must certify pursuant to Section 11-27-70 of the South Carolina Code the amount of general revenues of the State for the fiscal year ended June 30, 2022 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds), which amount of general fund revenues must be sufficient to maintain compliance with the limitations on debt service imposed by Section 11-41-50 of the South Carolina Code. The State Authority finds that:

(i)    Exhibit C indicates that the maximum annual debt service on all general obligation bonds subject to the constitutional five percent (5.0%) debt service limitation following the issuance of the Economic Development Bonds authorized hereby is anticipated to be \$20,817,950.



Accordingly, the amount of general revenues of the State for the fiscal year ended June 30, 2022 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) sufficient to maintain compliance with the five percent (5.0%) limitation on debt service imposed by the Enabling Act must be not less than \$416,359,000.

(ii) Exhibit D indicates that the maximum annual debt service on all general obligation bonds subject to the constitutional five and one-half percent (5.5%) debt service limitation following the issuance of the Economic Development Bonds authorized hereby is anticipated to be \$30,082,555. Accordingly, the amount of general revenues of the State for the fiscal year ended June 30, 2022 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) sufficient to maintain compliance with the five and one-half percent (5.5%) limitation on debt service imposed by the Enabling Act must be not less than \$546,955,536.

(iii) Exhibit E indicates that the maximum annual debt service on the Economic Development Bonds subject to the one-half of one percent (0.5%) debt service limitation following the issuance of the Economic Development Bonds authorized hereby is anticipated to be \$9,278,790. Accordingly, the amount of general revenues of the State for the fiscal year ended June 30, 2022 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) sufficient to maintain compliance with the one-half of one percent (0.5%) limitation on debt service imposed by the Enabling Act must be not less than \$1,855,758,000.

(g) The general revenues of the State for fiscal year ended June 30, 2021 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) amounted to not less than \$10,447,593,378. Therefore, the State Authority has determined that, assuming that the Economic Development Bonds authorized hereby bear interest at average rates not significantly in excess of prevailing and anticipated rates, the Economic Development Bonds authorized hereby may be issued within the constitutional and statutory limitations described herein. The form of certification of the State Auditor as to the matters set forth in this Section 1.04 and as required by the Enabling Act is attached hereto as Exhibit E, and the form of certification of the State Treasurer as to the matters set forth in this Section 1.04 and as required by the Enabling Act is attached hereto as Exhibit G. Such certifications shall, in their final forms, reflect general revenues of the State (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) for the fiscal year next preceding the fiscal year of issuance of the Economic Development Bonds authorized hereby.

#### Section 1.05 Determination of Amount of Economic Development Bonds Herein Authorized

(a) The State Authority finds that it is necessary to raise an amount not to exceed \$70,300,000 at this time in order to provide funds which will be used to pay costs of Infrastructure authorized by the Enabling Act, and the costs of issuance of said Economic Development Bonds and to pay costs of issuance thereof. As required by Section 11-41-90(1) of the Enabling Act, the State Authority hereby finds and determines that the Economic Development Bonds authorized herein are to be issued pursuant to Section 11-41-50(A) of the Enabling Act. As required to be stated by Section 11-41-90(2) of the Enabling Act, the aggregate of Economic Development Bonds that have been issued to date is the principal amount of \$776,910,000, excluding the Economic Development Bonds authorized hereby. A schedule setting forth the annual principal and interest payments required to retire the outstanding Economic Development Bonds is attached hereto as Attachment A-3 to Exhibit A. As required by Section 11-41-90(6) of the Enabling Act, the State Authority hereby finds and determines that this Resolution has been adopted not later than eighteen (18) months after the date of the first notification to the Joint Bond Review Committee and the State Authority with respect to the Economic Development Project described in Exhibit A attached hereto.

[End of Article I]

## ARTICLE II

### DEFINITIONS AND CONSTRUCTION

#### Section 2.01    Definitions

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

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

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

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

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

“Bond” or “Bonds” means any of the General Obligation State Economic Development Bonds authorized by this Resolution.

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

“Enabling Act” means Chapter 41, Title 11, of the Code of Laws of South Carolina, 1976, as amended.

“Escrow Agent” means the entity or entities, as the case may be, designated by the State Treasurer to serve as escrow agent or escrow agents 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 of South Carolina.

“Infrastructure” shall have the meaning given in Section 1.02 of this Resolution.

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

- (i) any Bond, or BAN, as the case may be, cancelled or delivered to the Registrar for cancellation on or before such date;
- (ii) any Bond (or any portion thereof), or BAN, as the case may be, deemed to have been paid in accordance with the provisions of Section 7.01 hereof; and
- (iii) any Bond, or BAN, as the case may be, in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to Section 3.11 of the 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, as the case may be, 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, as the case may be, and shall effect the exchange and transfer of 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 Authority” means the State Fiscal Accountability Authority of 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.

#### Section 2.02 Construction

In this Resolution, unless the context otherwise requires:

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

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

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

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

[End of Article II]

## ARTICLE III

### ISSUANCE OF BONDS

#### Section 3.01    Direction to Governor and State Treasurer

The Governor and the State Treasurer are hereby directed to effect the issuance of not to exceed \$70,300,000 principal amount of General Obligation State Economic Development Bonds in accordance with the provisions of this Resolution.

#### Section 3.02    Ordering the Issuance of Bonds

Pursuant to the provisions of the Enabling Act, and for the purpose of obtaining funds to defray the costs of Infrastructure and the costs of issuance, there shall be issued not exceeding Seventy Million Three Hundred Thousand Dollars (\$70,300,000) aggregate principal amount general obligation bonds of the State, designated General Obligation State Economic Development Bonds (the "Bonds"). The Bonds may be issued as a single Series or in two or more separate Series as determined by the State Treasurer. Each Series of Bonds issued hereunder shall be given a unique series identifier. The State Treasurer is hereby authorized to determine the principal amount of the Bonds of each Series and the Dated Date of each Series. References in this Resolution to "Bonds" shall mean, where appropriate, Bonds of a Series.

#### 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 term of a Series of Bonds does not exceed 30 years and the aggregate principal amount of Bonds issued hereunder does not exceed \$70,300,000. 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 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 of a Series remain Outstanding there shall be a Registrar and a Paying Agent for such Series, 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 the 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 the State Treasurer, with the Great Seal (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon, and attested by the Secretary of State. Bonds bearing the manual or facsimile signature of any Person who shall have been such an Authorized Officer at the time such Bonds 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 Bonds or was not such Authorized 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 I, 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 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 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 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 Bond 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 or the State receives 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, 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 or Redemption Price of and interest on such Bond and for all other purposes, and payment of the Principal Installment or 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 Redemption Price, interest on or Principal Installment of the Bonds need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the Bond Payment Date and no interest shall accrue for the period after such date.

#### Section 3.16 Conditions Relating to Naming of Interest Rates

The Bonds shall bear such rate or rates of interest as shall at the sale of such Bonds reflect the lowest interest cost to the State, but:

- (a) all Bonds of the same maturity shall bear the same rate of interest;
  - (b) no rate of interest named shall be more than six and one-half (6.50) percentage points; a zero (0.0) percentage point rate of interest is not permitted;
  - (c) each interest rate named shall be a multiple of 1/8th or 1/20th of one (1) percentage point;
- and
- (d) any premium offered must be paid in cash as a part of the purchase price;



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 Installment and interest on the Bonds shall be exempt from all State, county, municipal, school district, and all other taxes or assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except 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 the General Assembly has allocated on an annual basis sufficient tax revenues to provide for the punctual payment of the Principal Installments and interest on the Bonds. In accordance with the provisions of Article X, Section 13, Paragraph 4 of the South Carolina Constitution, the General Assembly must allocate on an annual basis sufficient tax revenues to provide for the punctual payment of Principal Installments of and interest on the Bonds. If at any time any payment of Principal Installment of or interest on the Bonds shall not be paid as and when the same become due and payable, the State Comptroller General shall forthwith levy and the State Treasurer shall collect an *ad valorem* tax without limit as to rate or amount upon all taxable property within the State sufficient to meet the payment of the Principal Installments of and interest on the Bonds then due.

#### Section 3.19 Bonds Issued in Book-Entry Only Form

(a) Unless otherwise determined by the State Treasurer, the Bonds will initially be issued under DTC's 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 or Redemption Price of 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 or Redemption Price of 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 3.20 Form of Bonds

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

#### Section 3.21 Borrowing in Anticipation of Issuance of Bonds

Pursuant to Title 11, Chapter 17 of the South Carolina Code (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 \$70,300,000 in anticipation of the issuance of Bonds. If BANs are issued and, if,



upon maturity thereof, the Governor and the State Treasurer should determine that further issuance of BANs rather than the Bonds would be in the best interest of the State under the prevailing market conditions, the Governor and the State Treasurer are authorized to continue the issuance of the BANs, in a principal amount not to exceed \$70,300,000 until the State Treasurer and the Governor 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, 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 by 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 State 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 State 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 is not required to 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.

(d) The BANs shall 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 State 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 or book-entry form 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; provided, however, that any premium shall be applied to the payment of principal of the BANs at the maturity thereof.

(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, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

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

(k) Without limiting the generality or specifics of any other provision of this Resolution, the term "Bonds" as used in Articles 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 the Paying Agent of each optional redemption. Each State Request shall specify the date fixed for redemption and the Bonds which are to be redeemed. Such notice shall be given at least 60 days prior to the date fixed for redemption or such lesser number of days as shall be acceptable to the Registrar.

#### Section 4.03 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; and (vi) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue. The Registrar shall mail by registered mail a copy of such notice, postage prepaid, not less than 30 days before the redemption date to the registered Holders of all of 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 Bonds held by Holders to whom written notice has been mailed. The obligation of the Registrar to give the notice required by this Section shall not be conditioned upon the prior payment to the Paying Agent of money or the delivery to the Paying Agent of Authorized Investments or Government Obligations sufficient to pay the Redemption Price of the Bonds to which such notice relates or the interest thereon to the redemption date. Interest on the Bonds to be redeemed shall cease to accrue from and after the redemption date specified in such notice, unless the State defaults in making due provision for the payment of the Redemption Price thereof and accrued interest thereon.

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

#### Section 4.04    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 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.

#### 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 H 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 I hereto and the Notice of Sale as set forth in Exhibit H 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 J 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.

(c) The BANs 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 BAN shall be the date determined by the State Treasurer, and the BAN shall bear interest from such date; (ii) the references to "BANs" throughout this Resolution shall be understood to refer to the single instrument authorized by this Section 5.01(c); (iii) the State Treasurer may require that the BAN bear a single, fixed rate of interest; (iv) the State Treasurer may determine that the State will not undertake any obligation to deliver a Continuing Disclosure Undertaking as provided in Exhibit J hereto; (v) the State Treasurer may determine that the BAN 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 (vi) the State Treasurer may determine that an official statement shall not be prepared in connection with the sale of the BAN.

#### 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 State 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 State 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 State 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 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; and

(ii)   premium, if any, and the principal proceeds shall be deposited with the State Treasurer who shall apply the same for the purposes set forth in Section 1.05 hereof.

(b)    Pending the use of Bond proceeds as provided in paragraph (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 or, if so required by the Code, to make the 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.

[End of Article VI]



## ARTICLE VII

### DEFEASANCE OF BONDS

#### Section 7.01 Discharge of Resolution; Where and How Bonds Are Deemed to Have Been Paid and Defeased

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

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

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

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

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

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



Section 7.02    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 Fiduciary shall signify its acceptance of the duties and trusts imposed by this Resolution by a written acceptance. All references in this Article VIII to Bonds shall also be applicable to BANs issued hereunder.

**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 of 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 to it may deem reasonable.

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

**Section 8.04**    **Compensation**

The State shall pay to each Fiduciary from time to time reasonable compensation based on the then standard fee schedule of the Fiduciary for all services rendered under this Resolution, and also all reasonable

expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Resolution; provided, however, that any specific agreement between the State and a Fiduciary with respect to the compensation of such Fiduciary shall control the compensation to be paid to such Fiduciary.

#### Section 8.05    Certain Permitted Acts

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

#### Section 8.06    Resignation of Any Fiduciary

Any Fiduciary may at any time resign and be discharged of the duties and obligations created by this Resolution by giving not less than 60 days written notice to the State and not less than 30 days written notice to the Holders of the Bonds as established by the books of registration prior to the next succeeding Bond Payment Date and such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed by the State pursuant to Section 8.08 hereof in which event such resignation shall take effect immediately on the appointment of such successor. In no event, however, shall such a resignation take effect until a successor has been appointed.

#### Section 8.07    Removal of Fiduciary

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

#### Section 8.08    Appointment of Successor Fiduciaries

(a) In case any Fiduciary hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the State Treasurer. Every such Fiduciary appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, within or outside the State, having a stockholders' equity of not less than \$70,300,000 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 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 the Bonds, including, without limitation, (i) the requirement to file Form 8038-G, *Information Return for Tax-Exempt Governmental 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 Section, 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 Registered Holder thereof for federal income tax purposes pursuant to the provisions of the Code and Regulations in effect on the date of original issuance of the Bonds. Without limiting the generality of the foregoing, the State represents and covenants that:

(a) No issue of Bonds is or will be an issue of "Private Activity Bonds." The Bonds will be an issue of Private Activity Bonds if the issue meets (i) (A) the private business use test of § 141(b)(1) of the Code and (B) the private security or payment test of § 141(b)(2) of the Code, or (ii) meets the private loan financing test of § 141(c) of the Code.

(b) The Bonds will meet the private business use test of the Code if more than 10 percent of the proceeds thereof are to be used for any private business use (as defined in § 141(b)(6) of the Code). The Bonds will meet the private security or payment test of the Code if the payment of the principal of, or the interest on, more than 10 percent of the proceeds thereof is (under the terms of such issue or any underlying arrangement) directly or indirectly (i) secured by any interest in (A) property used or to be used for a private business use, or (B) payments in respect of such property, or (ii) to be derived from payments (whether or not to the issuer) in respect of property, or borrowed money, used or to be used for a private business use.

(c) (i) The Bonds will be treated as meeting the tests of described in paragraphs (a) and (b) if such tests would be met if such paragraphs were applied (i) by substituting 5 percent for 10 percent each place it appears, and (ii) by taking into account only (A) the proceeds of the Bonds which are to be used for any private business use which is not related to any government use of such proceeds, (B) the disproportionate related business use proceeds of the issue, and (C) payments, property, and borrowed money with respect to any use of proceeds described in subclause (A) or (B).

(ii) For purposes of subparagraph (c)(i), the disproportionate related business use proceeds of the Bonds is an amount equal to the aggregate of the excesses (determined under the following sentence) for each private business use of the proceeds of an issue which is related to a government use of such proceeds. The excess determined under this sentence is the excess of (A) the proceeds of the issue which are to be used for the private business use, over (B) the proceeds of the issue which are to be used for the government use to which such private business use relates.

(d) The proceeds of the Bonds are not expected to be used to provide any facilities for the production, generation, transmission or distribution of electric energy, natural gas or water.

(e) If the nonqualified amount of the Bonds (as defined in § 141(b)(8) of the Code) (i) exceeds \$15,000,000, but (ii) does not exceed the amount which would cause a bond which is part of such issue to be treated as a private activity bond without regard to this paragraph, the State will allocate a portion of its volume cap under § 146 of the Code to the Bonds in an amount equal to the excess of such nonqualified amount over \$15,000,000.

(f) Except in the case of Eligible Mixed-Use Projects (as defined in § 1.141-6(b)(2) of the Regulations), if two or more sources of funding (including two or more tax-exempt issues) are allocated to capital expenditures for a project, those sources are allocated throughout that project to the Governmental Use and Private Business Use of the project in proportion to the relative amounts of those sources of funding spent on the project. The sources of funding allocated to capital expenditures for an Eligible Mixed-Use Project are allocated to undivided portions of the Eligible Mixed-Use Project and the Governmental Use and Private Business Use of the Eligible Mixed-Use Project. Qualified Equity is allocated first to the Private Business Use of the Eligible Mixed-Use Project and then to Governmental Use, and Proceeds are allocated first to the Governmental Use and then to Private Business Use, using the percentages of the Eligible Mixed-Use Project financed with the respective sources and the percentages of the respective uses. If Proceeds of more than one Issue finance the Eligible Mixed-Use Project, Proceeds of each Issue are allocated ratably to the uses to which Proceeds are allocated in proportion to the relative amounts of the Proceeds of such Issues allocated to the Eligible Mixed-Use Project.

(g) The Bonds will meet the private security or payment test if the present value of the payments to be taken into account exceeds 10% of the present value of the debt service to be paid over the term of the issue. The private payment test generally takes into account payment of debt service derived from payments (whether or not to the Issuer or a related party) in respect of property or borrowed money used or to be used for a private business use. Payments from a private business user are not counted to the extent such payments exceed the present value of debt service allocable to the proceeds used by such private business user. Payments for use of proceeds do not include the portion of any payment properly allocable to the payment of direct operating expenses of the financed property used by the private business user. A special rule generally characterizes payments of debt service on a refinanced issue as private payments in the same proportion as private payments bear to total payments on the refunding issues.

(h) The private security test generally takes into account payment of debt service directly or indirectly secured by an interest in property used or to be used for a private business use, or payments in respect of such property. The security for an issue and the payment of debt service on the issue are determined from both the bond documents and on the basis of an underlying arrangement between the parties. An underlying arrangement can result from separate agreements between the parties or may be inferred from all the facts and circumstances in connection with the issuance of the bonds. Private security consists of financed property used by a private business user as well as payments in respect of that property if any interest in that property or payments secures the payment of debt service on the bonds. Under this rule the payments in respect of privately used property can be counted even if they are from the general public (only to the extent available to be used directly or indirectly for debt service).

(i) For purposes of the private security or payment test, taxes of general application are not taken into account. A generally applicable tax is an enforced contribution exacted pursuant to legislative authority in the exercise of the taxing power to raise revenue for governmental purposes. The tax must have uniform rate applicable to all persons of the same class in the jurisdiction and a generally applicable manner of determination and collection. A special rule permits payments in lieu of taxes to constitute generally applicable taxes under certain circumstances.

(j) (i) The Bonds will meet the private loan financing test of § 141(c) of the Code if the amount of the proceeds thereof which are to be used (directly or indirectly) to make or finance

loans (other than loans described in paragraph (ii)) to persons other than governmental units exceeds the lesser of (A) 5 percent of such proceeds, or (B) \$5,000,000.

(ii) For purposes of paragraph (k)(i), a loan is described in this paragraph if such loan (A) enables the borrower to finance any governmental tax or assessment of general application for a specific essential governmental function, (B) is a nonpurpose investment (within the meaning of §148(f)(6)(A) of the Code), or (C) is a qualified natural gas supply contract (as defined in § 148(b)(4) of the Code).

(k) If the use of the proceeds of any issue of Bonds or the payment or security for any issue of Bonds is changed subsequent to the date of issue thereof such that such issue meets the tests described in this Section 9.02, the State will timely take such action as required under the terms of the Code and Regulations to remediate such non-compliance to preserve the exclusion from gross income of interest paid on such issue to the registered owners of such Bonds.

(l) All Bonds issued hereunder will be in registered form as required by § 149(a) of the Code. No Bonds issued hereunder are expected to be federally guaranteed within the meaning of § 149(b) of the Code. The State will timely file information returns in respect of each issue of Bonds hereunder as required by § 149(e) of the Code. No Bonds issued hereunder are expected to be hedge bonds within the meaning of § 149(g)(3) of the Code.

(m) 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, unless the State is advised by recognized tax counsel that such contract will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(n) 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: 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 State Authority, the office of the Secretary of State (as a part of the Transcript of Proceedings for each Series of Bonds issued hereunder), and with the offices of each Paying Agent and Registrar for each Series of Bonds issued hereunder.

#### 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 State Authority, any officer or employee, as such, in his or her individual capacity, past, present or future, of the State Authority, either directly or through the State 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 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 Authority, either directly or by reason of any of the obligations, covenants, promises or agreements entered into between the State and Bondholders or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member, officer and employee is, by the adoption of this Resolution and the execution of the Bonds, and as a condition of, and as a part of the consideration for, the adoption of this Resolution and the execution of the Bonds, expressly waived and released. The immunity of members of the State Authority, officers and employees of the State Authority under the provisions contained in this Section shall survive the termination of this Resolution. Bonds as used in this Section 10.07 shall be deemed to include BANs.

#### Section 10.08 Continuing Disclosure

(a) In accordance with Section 11-1-85 of the South Carolina Code, the State 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(a) shall be an action for specific performance of this covenant. The State 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 J hereto, together with such modifications and amendments thereto, including without limitation those necessary in case of the issuance of BANs, 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 Reimbursement Declaration

(a) The State hereby declares its intention to reimburse itself for a portion of the costs of the Infrastructure with the proceeds of the Bonds requested to be issued herein. To that end, the State determines and declares as follows:

(i) no funds from any sources other than the Bonds are, or are reasonably expected to be, reserved, allocated on a long-term basis or otherwise set aside by the State pursuant to the budget or financial policies of the State for the financing of the portion of the costs of acquisition, construction, and equipping of the Infrastructure to be funded with the Bonds;

(ii) the State reasonably expects that all or a portion of the expenditures incurred for the Infrastructure and the issuance of the Bonds will be paid prior to the issuance of the Bonds;

(iii) the State intends and reasonably expects to reimburse itself for all such expenditures paid by it with respect to the Infrastructure prior to the issuance of the Bonds, from the proceeds of the Bonds, and such intention is consistent with the budgetary and financial circumstances of the State;

(iv) all of the costs to be paid or reimbursed from the proceeds of the Bonds will be for costs incurred in connection with the issuance of the Bonds, or will, at the time of payment thereof, be properly chargeable to the capital account of the Infrastructure (or would be so chargeable with a proper election) under general federal income tax principles; and

(v) this Resolution shall constitute a declaration of official intent under United States Department of the Treasury Regulation Section 1.150-2.

#### Section 10.10 Law and Place of Enforcement of this 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 10.11 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 10.12 Repeal of Inconsistent Resolutions

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

Section 10.13 Effectiveness of this Resolution

This Resolution shall become effective upon its adoption.

[End of Article X]

CERTIFICATE OF THE SECRETARY  
SOUTH CAROLINA DEPARTMENT OF COMMERCE

I, the undersigned, Harry M. Lightsey III, Do Hereby Certify as Follows:

1. I am, as of this date, the duly qualified and acting Secretary of Commerce of the State of South Carolina. I am authorized to execute this certificate on behalf of the South Carolina Department of Commerce (the "Department"), and I am knowledgeable with respect to the matters set forth herein.

2. Pursuant to Section 11-41-70 of the Code of Laws of South Carolina, 1976, as amended, the Department hereby notifies the Joint Bond Review Committee and the State Fiscal Accountability Authority of the State of South Carolina of its request to authorize the issuance of General Obligation State Economic Development Bonds (the "Economic Development Bonds") in connection with an economic development project known as "Project Samurai", which consists of an investment in the State of South Carolina (the "State") by a manufacturer (the "Sponsor") of certain products for use in the automotive industry (the "Project").

3. Based upon my independent inquiry and review, I hereby certify that the improvements to be financed with the proceeds of the Economic Development Bonds requested hereby for the benefit of the Project constitutes "infrastructure" as defined in Section 11-41-30(3) of the Code of Laws of South Carolina, 1976, as amended (the "Infrastructure"). The Infrastructure is further described in Attachment A-1 hereto.

4. The amount hereby requested for allocation to the Department to defray the costs of the Infrastructure, including contingency funds against inflation and cost overruns, is Seventy Million Dollars (\$70,000,000), and, in addition thereto, not exceeding Three Hundred Thousand Dollars (\$300,000) to be allocated to the Office of the State Treasurer for payment of issuance costs.

5. Based upon my independent inquiry and review, I hereby certify that the Project consists of an "investment" (as defined in Section 11-41-30(4) of the Code of Laws of South Carolina, 1976, as amended) by the Sponsor in the Project of not less than Four Hundred Million Dollars (\$400,000,000), and the creation at the Project by the Sponsor of no fewer than four hundred (400) "new jobs" (as defined in Section 11-41-30(7) of the Code of Laws of South Carolina, 1976, as amended). A tentative time schedule setting forth the period of time during which the sum requested hereby is to be expended is shown in Attachment A-2 hereto.

6. Debt service tables showing (i) the aggregate annual principal and interest requirements for all General Obligation State Economic Development Bonds outstanding and (ii) the same, categorized by applicable provisions of Section 11-41-50, together with pro forma annual principal and interest requirements for the bonds proposed for issuance, as of the date hereof, are shown in Attachment A-3 hereto.

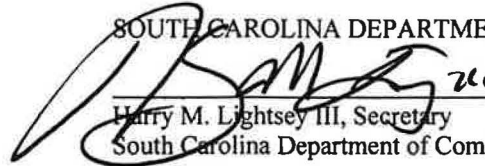
7. As of the date hereof, General Obligation State Economic Development Bonds have previously been authorized and issued under the General Obligation State Economic Development Bond Act in an aggregate principal amount of \$776,910,000.

8. Based on my independent inquiry and review, I hereby certify that I have determined that the construction of the Infrastructure for the benefit of the Project enhances the recruitment of industry and business to the State, facilitates the operation and growth of industry and businesses in the State, and thereby provides significant and substantial direct and indirect benefits to the State and its residents, including employment and other opportunities; that such benefits outweigh the costs of the Infrastructure; that for such reasons it is in the best interest of the State to authorize the issuance of the Economic Development

Bonds; and that the Economic Development Bonds, issued for such purpose, serve a public purpose in directly fostering economic development and increasing employment in the State. I further certify that the primary beneficiaries of the issuance of the Economic Development Bonds and the construction of Infrastructure for the Project are the State of South Carolina and its residents.

IN WITNESS WHEREOF, I have set my hand this 5 day of October, 2022.

SOUTH CAROLINA DEPARTMENT OF COMMERCE



Harry M. Lightsey III, Secretary  
South Carolina Department of Commerce



DESCRIPTION OF INFRASTRUCTURE

Infrastructure Eligible under S.C. Code § 11-41-30(3):

<u>Description</u>	<u>Projected Amount (in Millions)</u>
Training Facilities .....	\$15.00
Road Improvements .....	21.00
Water Infrastructure .....	12.15
Sewer Infrastructure .....	20.25
Contingency .....	<u>1.60</u>
TOTAL.....	\$70.0

TENTATIVE TIME SCHEDULE  
SETTING FORTH THE PERIOD OF TIME DURING WHICH  
THE SUM REQUESTED IS TO BE EXPENDED

PRELIMINARY – SUBJECT TO CHANGE

Est. Expenditures – 1-6 Months	\$1,462,000
Est. Expenditures – 7-12 Months	4,383,000
Est. Expenditures – 13-18 Months	14,305,500
Est. Expenditures – 19-24 Months	16,192,000
Est. Expenditures – 25-30 Months	26,027,000
Est. Expenditures – 31-36 Months	7,630,500

DEBT SERVICE SCHEDULE FOR THE GENERAL OBLIGATION STATE  
ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING

Fiscal Year Ending	Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ 12,290,000	\$ 2,301,525	\$ 14,591,525
June 30, 2024	43,615,000	3,675,300	47,290,300
June 30, 2025	22,850,000	1,754,675	24,604,675
June 30, 2026	3,615,000	609,300	4,224,300
June 30, 2027	3,790,000	437,350	4,227,350
June 30, 2028	3,910,000	318,650	4,228,650
June 30, 2029	4,105,000	123,150	4,228,150
Total	<u>\$ 94,175,000</u>	<u>\$ 9,219,950</u>	<u>\$ 103,394,950</u>

\* Preliminary, subject to change.

DEBT SERVICE SCHEDULE FOR ALL GENERAL OBLIGATION STATE  
ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING AND  
THE PROPOSED NOT EXCEEDING \$70,300,000 PRINCIPAL AMOUNT  
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS  
AT PREVAILING AND ANTICIPATED RATES OF INTEREST

Fiscal Year	Existing Debt Service			Authorized but Unissued	Proposed Issue*		Composite Debt Service
	§ 11-41-50A	§ 11-41-50B	§ 11-41-50C		Principal	Interest	
6/30/2023	\$ 3,641,900	\$ 8,518,000	\$ 2,431,625	\$ -	\$ 1,255,000	\$ 1,031,789	\$ 16,878,314
6/30/2024	4,215,425	29,960,250	13,114,625	-	2,800,000	2,249,180	52,339,480
6/30/2025	4,224,175	18,049,500	2,331,000	-	2,865,000	2,182,260	29,651,935
6/30/2026	4,224,300	-	-	-	2,935,000	2,113,786	9,273,086
6/30/2027	4,227,350	-	-	-	3,005,000	2,041,879	9,274,229
6/30/2028	4,228,650	-	-	-	3,080,000	1,968,256	9,276,906
6/30/2029	4,228,150	-	-	-	3,160,000	1,890,640	9,278,790
6/30/2030	-	-	-	-	3,240,000	1,809,744	5,049,744
6/30/2031	-	-	-	-	3,325,000	1,724,532	5,049,532
6/30/2032	-	-	-	-	3,415,000	1,633,760	5,048,760
6/30/2033	-	-	-	-	3,510,000	1,538,140	5,048,140
6/30/2034	-	-	-	-	3,620,000	1,429,681	5,049,681
6/30/2035	-	-	-	-	3,740,000	1,309,497	5,049,497
6/30/2036	-	-	-	-	3,870,000	1,178,597	5,048,597
6/30/2037	-	-	-	-	4,010,000	1,038,890	5,048,890
6/30/2038	-	-	-	-	4,160,000	890,119	5,050,119
6/30/2039	-	-	-	-	4,315,000	731,623	5,046,623
6/30/2040	-	-	-	-	4,485,000	563,769	5,048,769
6/30/2041	-	-	-	-	4,660,000	386,163	5,046,163
6/30/2042	-	-	-	-	4,850,000	198,365	5,048,365
Totals	\$ 28,989,950	\$ 56,527,750	\$ 17,877,250	\$ -	\$ 70,300,000	\$ 27,910,664	\$ 201,605,614

\* Preliminary, subject to change.

EXHIBIT B

PRO FORMA PRINCIPAL AND INTEREST REQUIREMENTS FOR  
THE NOT EXCEEDING \$70,300,000 PRINCIPAL AMOUNT  
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS  
TO BE ISSUED PURSUANT TO SECTION 11-41-50(A) OF THE ENABLING ACT  
AT PREVAILING AND ANTICIPATED RATES OF INTEREST

Fiscal Year Ending	Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ 1,255,000	\$ 1,031,789	\$ 2,286,789
June 30, 2024	2,800,000	2,249,180	5,049,180
June 30, 2025	2,865,000	2,182,260	5,047,260
June 30, 2026	2,935,000	2,113,786	5,048,786
June 30, 2027	3,005,000	2,041,879	5,046,879
June 30, 2028	3,080,000	1,968,256	5,048,256
June 30, 2029	3,160,000	1,890,640	5,050,640
June 30, 2030	3,240,000	1,809,744	5,049,744
June 30, 2031	3,325,000	1,724,532	5,049,532
June 30, 2032	3,415,000	1,633,760	5,048,760
June 30, 2033	3,510,000	1,538,140	5,048,140
June 30, 2034	3,620,000	1,429,681	5,049,681
June 30, 2035	3,740,000	1,309,497	5,049,497
June 30, 2036	3,870,000	1,178,597	5,048,597
June 30, 2037	4,010,000	1,038,890	5,048,890
June 30, 2038	4,160,000	890,119	5,050,119
June 30, 2039	4,315,000	731,623	5,046,623
June 30, 2040	4,485,000	563,769	5,048,769
June 30, 2041	4,660,000	386,163	5,046,163
June 30, 2042	4,850,000	198,365	5,048,365
Total	\$ 70,300,000	\$ 27,910,664	\$ 98,210,664

\* Preliminary, subject to change.

EXHIBIT C

PRINCIPAL AND INTEREST REQUIREMENTS  
FOR ALL CURRENTLY OUTSTANDING STATE GENERAL OBLIGATION DEBT  
SUBJECT TO THE CONSTITUTIONAL AND STATUTORY FIVE PERCENT (5%) LIMITATION

<u>Fiscal Year Ending</u>	<u>Debt Service</u>		<u>Total Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	
June 30, 2023	\$ 8,640,000	\$ 879,038	\$ 9,519,038
June 30, 2024	19,755,000	1,062,950	20,817,950
June 30, 2025	9,650,000	501,725	10,151,725
June 30, 2026	3,185,000	269,100	3,454,100
June 30, 2027	3,325,000	173,550	3,498,550
June 30, 2028	2,460,000	73,800	2,533,800
Total	<u>\$ 47,015,000</u>	<u>\$ 2,960,163</u>	<u>\$ 49,975,163</u>

EXHIBIT D

PRO FORMA PRINCIPAL AND INTEREST REQUIREMENTS  
FOR ALL CURRENTLY OUTSTANDING STATE GENERAL OBLIGATION DEBT  
SUBJECT TO THE CONSTITUTIONAL AND STATUTORY FIVE AND ONE-HALF PERCENT  
(5.5%) LIMITATION, INCLUDING ALL GENERAL OBLIGATION STATE ECONOMIC  
DEVELOPMENT BONDS ISSUED PURSUANT TO SECTIONS 11-41-50(A) AND 11-41-50(C) OF  
THE ENABLING ACT AND THE NOT EXCEEDING \$70,300,000 PRINCIPAL AMOUNT  
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS TO BE  
ISSUED PURSUANT TO SECTION 11-41-50(A) OF THE ENABLING ACT  
AT PREVAILING AND ANTICIPATED RATES OF INTEREST,  
ALL SUCH DEBT SUBJECT TO THE FIVE AND ONE-HALF PERCENT (5.5%) LIMITATION

Fiscal Year Ending	Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ 12,960,000	\$ 2,487,726	\$ 15,447,726
June 30, 2024	25,820,000	4,262,555	30,082,555
June 30, 2025	15,955,000	3,468,160	19,423,160
June 30, 2026	9,735,000	2,992,186	12,727,186
June 30, 2027	10,120,000	2,652,779	12,772,779
June 30, 2028	9,450,000	2,360,706	11,810,706
June 30, 2029	7,265,000	2,013,790	9,278,790
June 30, 2030	3,240,000	1,809,744	5,049,744
June 30, 2031	3,325,000	1,724,532	5,049,532
June 30, 2032	3,415,000	1,633,760	5,048,760
June 30, 2033	3,510,000	1,538,140	5,048,140
June 30, 2034	3,620,000	1,429,681	5,049,681
June 30, 2035	3,740,000	1,309,497	5,049,497
June 30, 2036	3,870,000	1,178,597	5,048,597
June 30, 2037	4,010,000	1,038,890	5,048,890
June 30, 2038	4,160,000	890,119	5,050,119
June 30, 2039	4,315,000	731,623	5,046,623
June 30, 2040	4,485,000	563,769	5,048,769
June 30, 2041	4,660,000	386,163	5,046,163
June 30, 2042	4,850,000	198,365	5,048,365
Total	\$ 142,505,000	\$ 34,670,777	\$ 177,175,777

\* Preliminary, subject to change.



EXHIBIT E

PRO FORMA PRINCIPAL AND INTEREST REQUIREMENTS FOR ALL CURRENTLY OUTSTANDING GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS ISSUED PURSUANT TO SECTION 11-41-50(A) OF THE ENABLING ACT AND THE NOT EXCEEDING \$70,300,000 PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS TO BE ISSUED PURSUANT TO SECTION 11-41-50(A) OF THE ENABLING ACT AT PREVAILING AND ANTICIPATED RATES OF INTEREST, ALL SUCH DEBT SUBJECT TO THE ONE-HALF PERCENT (0.5%) LIMITATION

Fiscal Year Ending	Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ 4,320,000	\$ 1,608,689	\$ 5,928,689
June 30, 2024	6,065,000	3,199,605	9,264,605
June 30, 2025	6,305,000	2,966,435	9,271,435
June 30, 2026	6,550,000	2,723,086	9,273,086
June 30, 2027	6,795,000	2,479,229	9,274,229
June 30, 2028	6,990,000	2,286,906	9,276,906
June 30, 2029	7,265,000	2,013,790	9,278,790
June 30, 2030	3,240,000	1,809,744	5,049,744
June 30, 2031	3,325,000	1,724,532	5,049,532
June 30, 2032	3,415,000	1,633,760	5,048,760
June 30, 2033	3,510,000	1,538,140	5,048,140
June 30, 2034	3,620,000	1,429,681	5,049,681
June 30, 2035	3,740,000	1,309,497	5,049,497
June 30, 2036	3,870,000	1,178,597	5,048,597
June 30, 2037	4,010,000	1,038,890	5,048,890
June 30, 2038	4,160,000	890,119	5,050,119
June 30, 2039	4,315,000	731,623	5,046,623
June 30, 2040	4,485,000	563,769	5,048,769
June 30, 2041	4,660,000	386,163	5,046,163
June 30, 2042	4,850,000	198,365	5,048,365
Total	\$ 95,490,000	\$ 31,710,614	\$ 127,200,614

\* Preliminary, subject to change.

\$70,300,000 STATE OF SOUTH CAROLINA GENERAL OBLIGATION STATE  
ECONOMIC DEVELOPMENT BONDS

FORM OF CERTIFICATE AS TO CONSTITUTIONAL AND  
STATUTORY DEBT LIMIT

I, the undersigned, George L. Kennedy, III, CPA, State Auditor of the State of South Carolina, do hereby certify that:

1. Pursuant to the provisions of Article X, Section 13(6)(c) of the Constitution of the State of South Carolina, 1895, as amended (the "South Carolina Constitution") and Chapter 41 of Title 11 of the Code of Laws of South Carolina, 1976, as amended (said Code to be hereinafter referred to as the "South Carolina Code"), the State Fiscal Accountability Authority of the State of South Carolina has authorized the issuance of the above-captioned state economic development bonds. Section 11-41-50(A) of the South Carolina Code, provides that the maximum annual debt service on all general obligation bonds of the State of South Carolina (the "State"), including state economic development bonds authorized by Sections 11-41-50(A) and (C) of the South Carolina Code, but excluding state economic development bonds authorized by Section 11-41-50(B) of the South Carolina Code, research university infrastructure bonds issued pursuant to Chapter 51 of Title 11 of the South Carolina Code, state highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes, may not exceed five and one-half percent (5.50%) of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds. Section 11-41-50(A) of the South Carolina Code further provides that the State at any time may not have outstanding general obligation bonds, including economic development bonds issued pursuant to Section 11-41-50(C) of the South Carolina Code, but excluding economic development bonds issued pursuant to Sections 11-41-50(A) and 11-41-50(B) of the South Carolina Code, research university infrastructure bonds issued pursuant to Chapter 51 of Title 11 of the South Carolina Code, state highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes, the maximum annual debt service on which exceeds five percent (5.0%) of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds. Additionally, Section 11-41-60 of the South Carolina Code provides that the maximum annual debt service on state economic development bonds issued pursuant to said Section 11-41-50(A) of the South Carolina Code must not exceed one-half of one percent (0.5%) of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds.

2. The general revenues of the State for fiscal year ended June 30, 2022 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) amounted to not less than \$ \_\_\_\_\_. Five and one-half percent (5.50%) of such sum is \$ \_\_\_\_\_. As of [date of delivery], the maximum annual debt service on all general obligation bonds, including state economic development bonds of the State subject to the five and one-half percent (5.50%) debt service limitation, including the State's proposed not to exceed \$70,300,000 General Obligation State Economic Development Bonds at prevailing and anticipated rates of interest, will be \$ \_\_\_\_\_.

3. Five percent (5.0%) of the general revenues of the State for fiscal year ended June 30, 2022 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) is the

sum of \$ \_\_\_\_\_. As of [date of delivery], the maximum annual debt service on all general obligation bonds of the State subject to the five percent (5.0%) debt service limitation will be \$ \_\_\_\_\_.

4. One-half of one percent (0.5%) of the general revenues of the State for fiscal year ended June 30, 2022 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) is the sum of \$ \_\_\_\_\_. As of [date of delivery], the maximum annual debt service on state economic development bonds of the State subject to the one-half of one percent (0.5%) debt service limitation, including the State's \$70,300,000 General Obligation State Economic Development Bonds at prevailing and anticipated rates of interest, will be \$ \_\_\_\_\_.

5. This Certificate is being delivered in accordance with Section 11-41-90(5) of the South Carolina Code.

In Witness Whereof, I have executed this Certificate this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
State Auditor of the State of South Carolina

\$70,300,000 STATE OF SOUTH CAROLINA GENERAL OBLIGATION STATE  
ECONOMIC DEVELOPMENT BONDS

FORM OF CERTIFICATE AS TO CONSTITUTIONAL AND  
STATUTORY DEBT LIMIT

I, the undersigned, Curtis M. Loftis, Jr., State Treasurer of the State of South Carolina, do hereby certify that:

1. Pursuant to the provisions of Article X, Section 13(6)(c) of the Constitution of the State of South Carolina, 1895, as amended (the "South Carolina Constitution") and Chapter 41 of Title 11 of the Code of Laws of South Carolina, 1976, as amended (said Code to be hereinafter referred to as the "South Carolina Code"), the State Fiscal Accountability Authority of the State of South Carolina has authorized the issuance of the above-captioned state economic development bonds. Section 11-41-50(A) of the South Carolina Code, provides that the maximum annual debt service on all general obligation bonds of the State of South Carolina (the "State"), including state economic development bonds authorized by Sections 11-41-50(A) and (C) of the South Carolina Code, but excluding state economic development bonds authorized by Section 11-41-50(B) of the South Carolina Code, research university infrastructure bonds issued pursuant to Chapter 51 of Title 11 of the South Carolina Code, state highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes, may not exceed five and one-half percent (5.50%) of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds. Section 11-41-50(A) of the South Carolina Code further provides that the State at any time may not have outstanding general obligation bonds, including economic development bonds issued pursuant to Section 11-41-50(C) of the South Carolina Code, but excluding economic development bonds issued pursuant to Sections 11-41-50(A) and 11-41-50(B) of the South Carolina Code, research university infrastructure bonds issued pursuant to Chapter 51 of Title 11 of the South Carolina Code, state highway bonds, state institution bonds, tax anticipation notes, and bond anticipation notes, the maximum annual debt service on which exceeds five percent (5.0%) of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds. Additionally, Section 11-41-60 of the South Carolina Code provides that the maximum annual debt service on state economic development bonds issued pursuant to said Section 11-41-50(A) of the South Carolina Code must not exceed one-half of one percent (0.5%) of the general revenues of the State for the fiscal year next preceding, excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds.

2. The general revenues of the State for fiscal year ended June 30, 2022 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) amounted to not less than \$\_\_\_\_\_. Five and one-half percent (5.50%) of such sum is \$\_\_\_\_\_. As of [date of delivery], the maximum annual debt service on all general obligation bonds, including state economic development bonds of the State subject to the five and one-half percent (5.50%) debt service limitation, including the State's proposed not to exceed \$70,300,000 General Obligation State Economic Development Bonds at prevailing and anticipated rates of interest, will be \$\_\_\_\_\_.

3. Five percent (5.0%) of the general revenues of the State for fiscal year ended June 30, 2022 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) is the

sum of \$ \_\_\_\_\_. As of [date of delivery], the maximum annual debt service on all general obligation bonds of the State subject to the five percent (5.0%) debt service limitation will be \$ \_\_\_\_\_.

4. One-half of one percent (0.5%) of the general revenues of the State for fiscal year ended June 30, 20220 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds) is the sum of \$ \_\_\_\_\_. As of [date of delivery], the maximum annual debt service on state economic development bonds of the State subject to the one-half of one percent (0.5%) debt service limitation, including the State's \$70,300,000 General Obligation State Economic Development Bonds, Series 202\_ at prevailing and anticipated rates of interest, will be \$ \_\_\_\_\_.

5. As authorized by the provisions of Section 11-41-50(A) of the South Carolina Code, the State's proposed not to exceed \$70,300,000 General Obligation State Economic Development Bonds will be issued on \_\_\_\_\_, 20\_\_, in the principal amount of [\$ \_\_\_\_\_].

6. This Certificate is being delivered in accordance with Section 11-41-90(5) of the South Carolina Code.

In Witness Whereof, I have executed this Certificate this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Curtis M. Loftis, Jr., State Treasurer  
of the State of South Carolina

(FORM OF OFFICIAL NOTICE OF SALE)

OFFICIAL NOTICE OF SALE

\$ \_\_\_\_\_<sup>\*</sup>  
STATE OF SOUTH CAROLINA  
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS  
SERIES \_\_\_\_\_

(BOOK-ENTRY-ONLY)

ELECTRONIC BIDS for the purchase of the \$ \_\_\_\_\_<sup>\*</sup> General Obligation State Economic Development Bonds, Series \_\_\_\_ (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 11:00 a.m. (Eastern Time) on \_\_\_\_\_, 20\_\_, or on such other date and time as may be established by the Governor and the State Treasurer and communicated by Thomson Municipal Market Monitor ("TM3") not later than 48 hours prior to the time the bids are to be received.

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

*PARITY® Only.* All bids must be submitted through BiDCOMP/Parity Electronic Bid Submission System ("PARITY®"). No electronic bids from any other providers of electronic bidding services will be accepted. Information about the electronic bidding services of PARITY® may be obtained from IPREO, Municipal Services, telephone (212) 404-8102, or [parity@ipreo.com](mailto:parity@ipreo.com).

*Authorization and Security.* The Bonds are issued pursuant to the constitution and laws of the State, including Article X, Section 13(6)(b) of the South Carolina Constitution, Title 11, Chapter 15, Title 11, Chapter 21, and Title 11, Chapter 41 of the Code of Laws of South Carolina, 1976, as amended, as supplemented by Section 11-27-30 of the Code of Laws of South Carolina, 1976, as amended, and constitute general obligations of the State. On \_\_\_\_\_, 20\_\_, the South Carolina State Fiscal Accountability Authority adopted a resolution providing for the issuance of the Bonds.

*Description of the Bonds.* The Bonds will initially be subject to a system of book-entry registration maintained by The Depository Trust Company, New York, New York ("DTC"). Principal of the Bonds when due will be paid upon presentation and surrender of such Bonds at the Corporate Trust Office of the Paying Agent. The Bonds will be dated as of the Date of Delivery ("Dated Date") expected to be on or about \_\_\_\_\_, 20\_\_, and bear interest at a rate or rates to be named by the successful bidder. Interest on the Bonds will be payable on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year commencing \_\_\_\_\_ 1, 20\_\_. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Both principal of and interest on the Bonds will be paid in any coin or currency of the United States of America,

---

<sup>\*</sup> Subject to adjustment as set forth herein.



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      Principal Amount\*

*Optional Redemption.* [To Be Provided At Time Of Sale].

*Term Bonds.* [To Be Provided At Time Of Sale].

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

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

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

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

---

\* Subject to adjustment as set forth herein.

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

#### CONDITIONS OF SALE

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

- (a) All Bonds of the same maturity must bear the same rate of interest;
  - (b) No rate of interest named shall be more than five (5.0) percentage points;
  - (c) A zero (0.0) percentage point rate of interest is not permitted;
  - (d) Each interest rate named must be a multiple of 1/8th or 1/20th of one (1) percentage point;
- and
- (e) Any premium offered must be paid in cash as a part of the purchase price;

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

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

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

Bonds and to the amount bid, not including interest accrued to the date of delivery (expected to be on or about \_\_\_\_\_, \_\_\_\_), if any.

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

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

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

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

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

*Tax Opinion.* The opinion of Bond Counsel will state that (a) interest on the Bonds is excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax; and (b) the Bonds and the interest thereon are exempt from all State, county, municipal, school district and all other taxes or assessments imposed within the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer or certain franchise taxes. The opinion will further state that the Code establishes certain requirements which must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds remains excludable from gross income for federal income tax purposes. Noncompliance may cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds, regardless of the date on which such noncompliance occurs or is ascertained. The State has covenanted to comply with the requirements of the Code in the resolutions pursuant to which the Bonds are issued and, in rendering its opinion, Bond Counsel will assume compliance with such covenants.

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

*CUSIP Numbers.* It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for the Bonds. All expenses in relation to the printing of the CUSIP identification numbers on the Bonds shall be paid by the State. However, the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid by the Purchaser.

*Official Statement.* A Preliminary Official Statement dated \_\_\_\_\_, 20\_\_, with respect to the Bonds has been prepared by the State, and such Preliminary Official Statement is deemed final by the State for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"). The only information omitted from the Preliminary Official Statement are those items permitted to be omitted under the Rule. The Preliminary Official Statement will be made available at <http://www.i-dealprospectus.com>. The State designates the Purchaser as its agent for purposes of distributing copies of the final Official Statement. The Purchaser agrees to (1) accept such designation, and (2) assure proper dissemination of the final Official Statement. The State will prepare and provide to the Purchaser, within seven business days after the sale date, a mutually agreed upon number of printed copies of the final Official Statement. The final Official Statement shall be in substantially the same form as the Preliminary Official Statement, subject to any additions, deletions or revisions that the State believes are necessary.

*Continuing Disclosure.* In order to assist the Purchaser in complying with the Rule, the State will undertake, in accordance with the authorizing resolutions pursuant to which the Bonds are issued and a Continuing Disclosure Undertaking, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

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

Henry McMaster, Governor of South Carolina

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

Dated \_\_\_\_\_, \_\_\_\_\_

CERTIFICATE AS TO ISSUE PRICE

*[Subject to modification upon advice of Bond Counsel as required  
by federal regulation and developing market practice]*

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

1. Reasonably Expected Initial Offering Price.

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

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

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

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

2. Defined Terms.

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

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

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

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

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

Signed this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

[Purchaser]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

OFFICIAL BID FORM

\$ \_\_\_\_\_ \*

STATE OF SOUTH CAROLINA  
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS,  
SERIES \_\_\_\_\_

Bids Received Until

\_\_\_\_\_ (South Carolina time)

\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

The Honorable Henry McMaster  
Governor of South Carolina

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

Office of State Treasurer  
Wade Hampton Office Building, Room 121  
Columbia, South Carolina 29201

Ladies and Gentlemen:

Subject to the provisions and in accordance with the terms of the Official Notice of Sale, which are made a part of this Proposal, we offer to purchase the \$ \_\_\_\_\_ General Obligation State Economic Development Bonds, Series \_\_\_\_\_, of the State of South Carolina (the "Bonds"). We will pay as the purchase price thereof \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) for the Bonds, dated \_\_\_\_\_, \_\_\_\_\_, maturing as set forth below, and bearing interest, payable on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year, beginning \_\_\_\_\_, \_\_\_\_\_, at the rates set forth below, together with accrued interest, if any, from \_\_\_\_\_, \_\_\_\_\_, to the date of delivery of the Bonds:

_____ 1	<u>Principal Amount</u>	<u>Interest Rate</u>	_____ 1	<u>Principal Amount</u>	<u>Interest Rate</u>
		_____			_____
		_____			_____
		_____			_____
		_____			_____

The total interest cost, computed from \_\_\_\_\_ 1, 20\_\_\_\_,

at the interest rates specified above, is:

\$ \_\_\_\_\_

The premium is:

\$ \_\_\_\_\_

The net interest cost of the Bonds is:

\$ \_\_\_\_\_

The \_\_\_\_\_ is:

\_\_\_\_\_ %

(The above computations are submitted for information purposes only and are not a part of this Proposal.)



We hereby certify (or declare) that (i) this proposal is genuine, and not a sham or collusive, and is not made in the interest or on behalf of any person not herein named; (ii) we have 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 (iii) we have not in any manner sought by collusion to secure for ourselves an advantage over any other bidder.

State Treasurer of the  
State of South Carolina  
facsimile numbers:  
(803) 734-2039 (primary)  
(803) 734-2697 (backup)

Submitted by  
Company: \_\_\_\_\_  
Contact: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
Email: \_\_\_\_\_

\* Subject to adjustment as described in the Official Notice of Sale.

(FORM OF BOND)  
(FACE OF BOND)UNITED STATES OF AMERICA  
STATE OF SOUTH CAROLINA  
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BOND,  
SERIES \_\_\_\_\_

No. R-\_\_\_\_

Rate of InterestMaturity DateOriginal Issue DateCUSIPRegistered 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 Holder of the Bonds, references in this Bond to the Bondholders or Registered Holders 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 15<sup>th</sup> day next preceding such Bond Payment Date.

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

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

This Bond is one of an issue of Bonds in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) of like tenor, except as to registered owner, numbering, rate of interest, date of maturity and redemption provisions, issued pursuant to and in accordance with the Constitution and Statutes of the State of South Carolina, including particularly the provisions of Article X, Section 13 of the South Carolina Constitution, 1895, as amended; Title 11, Chapter 15, Article 5 and Title 11, Chapter 21 of the Code of Laws of South Carolina, 1976, as amended (the "Refunding Act"); and a resolution (the "Resolution") duly adopted by the State Fiscal Accountability Authority of South Carolina for the purpose of raising funds for purposes and in the manner authorized by the Refunding Act.

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 the State of South Carolina.

For the payment of the principal of and interest on this Bond, as the same shall become due, there are pledged the full faith, credit and taxing power of the State of South Carolina.

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 (i) issue, exchange or transfer this Bond during the 15 days next preceding any Bond Payment Date, (ii) issue, exchange or transfer this Bond 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 this Bond if called or if being called for redemption in whole or in part.

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.

The Bonds maturing on and after \_\_\_\_\_, \_\_\_\_\_, shall be subject to redemption, in whole or in part, at any time in any order of maturity to be determined by the State on and after \_\_\_\_\_, \_\_\_\_\_, at par plus interest accrued to the date of redemption. [Add mandatory sinking fund redemption provisions, if any].

If less than all of the Bonds of the same maturity are to be redeemed, the particular Bonds or portions of Bonds to be redeemed will be selected not less than forty-five (45) days prior to the date fixed for redemption by the Registrar by lot. Bonds in denomination of more than \$ \_\_\_\_\_ may be redeemed in part from time to time in one or more units of \$ \_\_\_\_\_ in the manner provided in the Resolution.

In the event that any Bonds are to be called for redemption as aforesaid, the Paying Agent shall give notice of the redemption of the Bonds in the name of the State specifying (i) the principal amount and the maturities of the Bonds to be redeemed; (ii) the redemption date; (iii) the Redemption Price; (iv) the numbers, series designation and other distinguishing marks of the Bonds to be redeemed unless all of the Outstanding Bonds are to be redeemed; (v) the place or places where amounts due upon such redemption will be payable; and (vi) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed. Such notice shall be dated and shall further state that on the redemption 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 the redemption date, interest thereon shall cease to accrue. The Paying Agent shall mail a copy of such notice, by registered or certified mail, not less than thirty (30) days before the redemption date to the Registered Holders of any Bonds or portions of Bonds which are to be redeemed at their last addresses appearing upon the registration books, but failure to so mail any such notice to any one of such Registered Holders shall not affect the redemption of those registered Bonds to whose Registered Holders such notice was mailed.

On the specified redemption date (unless the State shall default in the payment of the Redemption Price and accrued interest) all Bonds so called for redemption will cease to bear interest, will no longer be secured by the Resolution and will no longer be considered as Outstanding.

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 or impressed 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 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

By: \_\_\_\_\_  
Authorized Signatory

Date: \_\_\_\_\_

(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 alternation.

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agents 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 CONTINUING DISCLOSURE UNDERTAKING)

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "Disclosure Undertaking") is executed and delivered this \_\_\_\_ day of \_\_\_\_\_, 202\_\_, by the State of South Carolina (the "State") in connection with the issuance of the State's \$70,300,000 General Obligation State Economic Development Bonds, Series 20\_\_ (the "Bonds").

The Bonds are being issued pursuant to a resolution adopted on \_\_\_\_\_, 2022 (the "Resolution"), by the State Fiscal Accountability Authority of the State of South Carolina 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, which apply to any capitalized terms used in this Section, the following capitalized terms shall have the following meanings:

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

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

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

"EMMA" means the Electronic Municipal Market Access system described in SEC Release No. 34-59062 (or any successor electronic information system) and maintained by MSRB as the sole repository for the central filing of electronic disclosure pursuant to the Rule.

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

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

"Official Statement" means the Official Statement dated \_\_\_\_\_, 20\_\_, prepared in connection with the Bonds.

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

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

“State” means the State of South Carolina.

Section 3. Provision of Annual Reports. (a) The State shall, not later seven (7) months after the end of the State’s fiscal year (which shall be January 31 of each year, so long as the State’s fiscal year ends on June 30), commencing with the report for the fiscal year ended June 30, 20\_\_, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking; provided, however, that the audited financial statements of the State for the fiscal year ended June 30, 20\_\_, and for each subsequent fiscal year may be submitted separately from the remainder of the Annual Report, and later than the date required for the filing of the Annual Report if they are not available by that date. If the State’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a) hereof.

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

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

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

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

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

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

(c) Computation of the legal debt margin for General Obligation Bonds as set forth in the Official Statement under the heading "DEBT OF THE STATE OF SOUTH CAROLINA;"

(d) Total outstanding general obligation bonds and annual debt service as set forth in the Official Statement under the headings "DEBT OF THE STATE" and "TABLES RELATING TO THE BONDS AND THEIR EFFECT ON THE DEBT OF THE STATE;" and

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

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

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

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of security holders, if material;
- (viii) Bond calls, if material and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of any obligated person, which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing

body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person;

- (xiii) the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of trustee, if material;
- (xv) incurrence of a financial obligation of an obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of an obligated person, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of an obligated person, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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

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

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

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

THE STATE OF SOUTH CAROLINA

Date: \_\_\_\_\_, 2022

By: \_\_\_\_\_  
State Treasurer

EXHIBIT A

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

Issuer: The State of South Carolina

Obligations: \$70,300,000 General Obligation State Economic Development Bonds, Series 202\_\_

Date of Issuance: \_\_\_\_\_, 202\_\_

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section \_\_\_\_\_ of the Resolution adopted on \_\_\_\_\_, 2022. The State anticipates that the Annual Report will be filed by \_\_\_\_\_.

THE STATE OF SOUTH CAROLINA

By: \_\_\_\_\_  
State Treasurer

Date: \_\_\_\_\_, \_\_\_\_\_