

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, March 26, 2024 – 9:30 A.M.

Room 252, Edgar A. Brown Building

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<u>Item</u>	<u>Agency</u>	<u>Subject</u>
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AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

CONDUIT/OTHER ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$35,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Economic Development Revenue Bonds, Series 2024; Wofford College	Wofford College Conduit: SCJEDA	Haynsworth Sinkler Boyd – Kathy McKinney and Suyash Raiborde	Maynard Nexsen - Laurie Becker	2/21/2024
\$20,000,000; South Carolina State Housing Authority ("SCSHFDA") Multifamily Housing Revenue Bonds; Settlement Manor Apartments; Series 2024	Hallmark Settlement Manor, LP (Settlement Manor Apartments) Conduit: SCSHFDA	Parker Poe – Ray Jones, Emily Luther, Emily Zackon, Ryan Romano	Issuer's Counsel to SC State Housing Authority – Lee Ann Watson (General Counsel)	12/16/2024

GENERAL OBLIGATION / REVENUE ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$102,000,000; State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of the University of South Carolina), Series 2025; Health Sciences Campus	State of South Carolina (on behalf of the University of South Carolina)	Pope Flynn Group – Gary Pope	South Carolina Attorney General	2/1/2024
\$111,000,000; State of South Carolina General Obligation Economic Development Bonds, Series 2025	State of South Carolina – (Project Managed by SC Department of Commerce)	Haynsworth Sinkler Boyd - Theodore DuBose	South Carolina Attorney General	2/13/2024

AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

SPECIAL ASSIGNMENT OF BOND COUNSEL:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
Advice and counsel to the University of South Carolina in connection with certain matters of public finance.	The University of South Carolina	Burr Forman LLP – Michael Seezen and Jeff Allen	N/A	1/10/2024

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 March 26, 2024 meeting:**

CONDUIT/OTHER ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$35,000,000; South Carolina Jobs-Economic Development Authority ("SC JEDA"); Economic Development Revenue Bonds, Series 2024; Wofford College	Wofford College Conduit: SCJEDA	Haynsworth Sinkler Boyd – Kathy McKinney and Suyash Raiborde	Maynard Nexsen - Laurie Becker	2/21/2024
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Advice and counsel to the University of South Carolina in connection with certain matters of public finance.	The University of South Carolina	Burr Forman LLP – Michael Seezen and Jeff Allen	N/A	1/10/2024

AGENCY: South Carolina Commission on Higher Education

SUBJECT: Approval of Battelle Alliance at Savannah River National Lab Plan

Proviso 11.24 of the fiscal year 2023-2024 Appropriations Act requires Clemson University, University of South Carolina-Columbia, and South Carolina State University to collaborate and submit a comprehensive plan and timeline to the Commission of Higher Education on how they plan on using \$40.0 million of appropriated funds to further the mission of and support the Savannah River National Lab.

Per the proviso language, the Commission on Higher Education must approve the plan and then submit it to the Joint Bond Review Committee for its review and comment and to the State Fiscal Accountability Authority for its approval prior to disbursing any funds to the three institutions.

At its December 7, 2023, meeting, the Commission on Higher Education approved an initial plan. On January 24, 2024, the Joint Bond Review Committee reviewed the initial plan and recommended that plan be revised to include “additional accountability measures” and establish “periodic reporting requirements”. The Commission on Higher Education has developed the recommended accountability measures and reporting requirements and included the same in a revised plan that was approved by the Commission at its meeting on March 7, 2024. The Joint Bond Review Committee favorably reviewed the revised plan at its meeting on March 20, 2024.

AUTHORITY ACTION REQUESTED:

Approve the Battelle Alliance at Savannah River National Lab Plan, as recommended by the South Carolina Commission on Higher Education.

ATTACHMENTS:

1. “Research Partnerships and Workforce Training Programs”
2. Proviso 11.24
3. Joint Bond Review Committee Letter dated January 24, 2024
4. Joint Bond Review Committee Letter dated March 20, 2024
5. South Carolina Commission on Higher Education Letter dated March 7, 2024

R. Wes Hayes, Jr.
Chairman



March 7, 2024

Mr. Rick Harmon
Research Director
Joint Bond Review Committee

Mr. Delbert Singleton
Secretary
State Fiscal Accountability Authority

Dear Mr. Harmon and Mr. Singleton:

Proviso 11.24 of the fiscal year 2023-24 Appropriations Act appropriated \$40 million for the Battelle Alliance, allocated among Clemson University, University of South Carolina, and South Carolina State University. Prior to fund distribution, the proviso required the institutions submit to the Commission on Higher Education a comprehensive plan and timeline for how the \$40 million will be utilized to further the mission and support the Savannah River National Laboratory. After review by the Commission on Higher Education, the plan then needed to receive review and comment by the Joint Bond Review Committee and approval by the State Accountability Authority before the institutions could receive and expend the funds.

The institutions submitted their plan to the Commission on Higher Education in Fall 2023. The plan was reviewed favorably by the Commission's Executive Committee on November 28, 2023, and by the full Commission on Higher Education on December 7, 2023. When the plan was reviewed by the Joint Bond Review Committee on January 24, 2024, membership directed staff to work with the Commission on Higher Education and other interested parties to develop additional accountability measures and periodic reporting for inclusion in the plan prior to its next meeting scheduled for March 20, 2024.

Commission on Higher Education staff have worked with representatives from the three institutions, Joint Bond Review Committee staff, and other interested parties to refine the originally submitted plan. This revised plan was reviewed by the Commission on Higher Education's Committee on Finance and Facilities on March 4, 2024, and by the Full Commission on March 7, 2024. Both the committee and the Commission recommended approval of the revised plan.

Attached, please find the revised plan submitted by Clemson University, University of South Carolina, and South Carolina State University for review and comment by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.

Sincerely,

Georges Tippens
Deputy Director and General Counsel



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1122 Lady St, Ste 400
Columbia, SC 29201

www.che.sc.gov



Research Partnerships and Workforce Training Programs



**Boosting Workforce
Development**


**Next Generation
Scientists & Innovators**

**High Impact
Science**

**In support of the Battelle Savannah River Alliance
Savannah River National Laboratory**

Leading the way—Research Partnerships and Workforce Training Programs

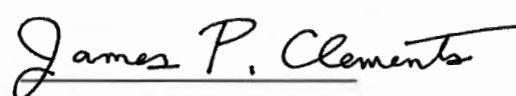
Submitted Jointly by



Dr. Michael Amiridis
President,
University of South Carolina



Alex Conyers
President,
South Carolina State University



Dr. James Clements
President,
Clemson University

Executive Summary

The research partnership and workforce development programs as described below which support the Battelle Savannah River Alliance, LLC (BSRA) and the Savannah River National Laboratory (SRNL) are developed and operated by Clemson University, South Carolina State University, and the University of South Carolina System (Columbia and Aiken campuses). These institutions will use the \$40 million authorized by the South Carolina legislature, with the support of Governor Henry McMaster, to support our workforce development (WFD) initiatives. BSRA, LLC operates the SRNL with support from its five subcontractor universities (Clemson, Ga Tech, University of Georgia, South Carolina State University, and the University of South Carolina System). BSRA, which is wholly owned by Battelle Memorial Institute, was awarded the SRNL management contract on December 22, 2020.

The overall objectives of this research partnership and workforce training program are to:

1. Develop and operate a long-term workforce development pipeline that will provide SRNL with new talent at the Bachelors, Masters, and Doctoral levels;
2. Enhance the research and educational capacity of the SC universities with hiring of new faculty and research staff; and
3. Support the SRNL employee base by providing topic-specific and focused training.

This plan will enable SRNL to grow and expand its impact from a national and international perspective. SRNL must attract, motivate, and train a diverse world-class workforce to execute BSRA's Vision. The universities will employ outreach strategies that ensure and expand participation by South Carolina residents.

To fulfill the obligations of the BSRA proposal and Governor McMaster's funding commitment, the SC universities plan a workforce development program that includes the following elements:

- Precollege Student Program to develop the future workforce with programs for students and teachers (USC Aiken and SC State)
- Undergraduate Student Program, to support scholarships and research opportunities for STEM and relevant disciplines (Clemson, SC State, USC Columbia, and USC Aiken, producing a cumulative 115 new STEM Bachelors degrees)
- Graduate Student Program, to grow the domestic research workforce seeking Masters and Doctoral Degrees (Clemson and USC Columbia, producing a cumulative 55 new advanced degrees)
- Postdoctoral Scientist Program, to support university research and to encourage careers as permanent staff to the Lab (Clemson and USC Columbia)
- Experienced Scientist Program, to add new faculty, research staff, and visiting scholars to the university talent pool, thus increasing research collaborations and competitiveness for increased funding of SRNL and SC institutions.
- Professional Development of SRNL Employees, to provide cutting-edge skills and knowledge (Clemson, SC State, USC Columbia, and USC Aiken)

The South Carolina universities have had and will continue to have substantial collaborations with SRNL and BSRA, LLC. The universities and the SRNL have annual collaborative meetings and student poster sessions each year. Students and graduates from the universities apply for and fill summer internships and postdoctoral positions available at SRNL. University personnel are members of the BSRA, LLC Board of Directors. The University of South Carolina Aiken hosts the SRNL-operated Advanced Manufacturing Collaborative, a public-industry research facility, which is scheduled to open in 2025.

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Background on SRNL

The Savannah River National Laboratory (SRNL, or the Lab), one of seventeen national labs for the U. S. Department of Energy (DOE), became an independent, federally funded research and development center (FFRDC) in 2021, with the award of the Management and Operations (M&O) contract to Battelle Savannah River Alliance LLC (BSRA). BSRA is a subsidiary of Battelle Memorial Institute, which manages eight other DOE National Labs. Prior to 2021, SRNL was managed by Savannah River Nuclear Solutions LLC, an industrial contractor, and was but one component of the overall site operations.

The University of South Carolina System (USC Columbia & USC Aiken), Clemson University (CU) and South Carolina State University (SCSU) were active participants with Battelle in crafting their M&O proposal to DOE. The universities were assigned a specific role in workforce development (WFD) for the Lab. A brief timeline of activities from proposal writing to award is given below:

- **January 2020-July 2020:** BSRA capture team enlists five universities (USC system, Clemson, SC State, UGA, and Georgia Tech) whose role in the M&O proposal is “Workforce Development.”
- **August 2020:** Governor McMaster provided a letter of commitment to seek \$100M in state funding in support of the three SC universities and their efforts in workforce development².
- **Dec. 22, 2020:** BSRA LLC was selected as M&O Contractor. Each university is a subcontractor to BSRA and holds a voting membership on the BSRA Board of Directors.
- **June 2023:** With the support of Gov. McMaster and university leaders, the SC legislature authorized \$40M for the three SC universities^{1,2}.

SRNL has a unique role within the Department of Energy’s national laboratory family for two specific reasons:

- First, SRNL is the nation’s leading research and development center for the DOE Office of Environmental Management (EM) and Office of Legacy Management (LM).
- Second, SRNL serves a critical role for the National Nuclear Security Administration (NNSA) in both weapons and nonproliferation programs. SRNL provides effective solutions for these national programs.

¹ South Carolina Budget [FY 2023-2024 South Carolina Budget - South Carolina Legislature Online \(scstatehouse.gov\)](https://www.scstatehouse.gov/budget) 11.24. (CHE: Battelle Alliance at Savannah River National Lab) Of the funds appropriated for the Battelle Alliance, twenty percent shall be allocated to South Carolina State University, forty percent to the University of South Carolina, and forty percent to Clemson University. The funds must be expended collaboratively to conduct research partnerships and develop workforce training programs designed to fill engineering, science, research, and management positions. The three universities shall provide the Battelle Alliance with accredited academic personnel, intellectual capital, and resources necessary to build out research capabilities and programs. Prior to the allocation or expenditure of any funds, the three universities shall collaborate and submit to the Commission on Higher Education a comprehensive plan and timeline for how the funds will be utilized to further the mission and support of the Savannah River National Lab. The plan also must be reviewed by Battelle for alignment with laboratory missions and university goals. This collaborative plan must be submitted to the Commission on Higher Education and approved by its Board of Commissioners. After approval of the plan, the commission shall submit the plan to the Joint Bond Review Committee for review and comment and to the State Fiscal Accountability Authority for approval before any funds can be allocated or expended. If the plan is not approved by June 30, 2024 by the Commission on Higher Education, Joint Bond Review Committee, and State Fiscal Accountability Authority, all funds must then be remitted back to the general fund of the state. Funds allocated for this purpose shall not be transferred or utilized for any other purpose.

² The University of South Carolina System was included in the original BSRA SRNL proposal to DOE so both the USC Columbia and USC Aiken’s campuses and resources could be used for the SRNL workforce development effort.

DOE expects SRNL to grow and modernize to ensure it meets the future mission needs for the Department. SRNL has three top-level mission areas: 1) Environmental Management and Legacy Management; 2) National Security; and 3) Science and Energy Security. As a multi-program applied science national laboratory, SRNL's focus is delivering high quality scientific and technology solutions. SRNL utilizes science, technology, engineering, and math (STEM) expertise in the chemical, biological and physical sciences, and engineering, as well as high performance computing, to discover new materials, improve system performance, develop advanced manufacturing solutions, augment inspection approaches, enhance energy systems, and drive new control strategies for critical assets. In addition to its STEM workforce needs, SRNL and BSRA are creating the modern support infrastructure of functional organizations that will enable growth in innovative programs and technical areas.

Specifically concerning workforce development, SRNL must attract, motivate, and train a diverse, world-class domestic workforce to execute BSRA's Vision. **Therefore, the SC universities will use the \$40M appropriation (which is the first installment in the governor's pledge of \$100M) to support a WFD initiative that will provide SRNL with a long-term pipeline for new talent acquisition by recruiting and educating the state's residents while also bringing in additional talent as needed from around the country.** This WFD initiative will also further the careers of the existing employee base at SRNL. The SC universities have world-class programs and facilities to educate the workforce in all the STEM fields that support the Lab. In addition, the SC universities each have programs in business, finance, accounting, communication, social science, and other non-STEM areas that will support the infrastructure of the Lab. The universities also have formal programs for outreach to the technical college system; these include several articulation agreements in various degree programs, and infrastructure such as the Center for Workforce Development at Clemson and Palmetto College at USC Columbia. Recognizing that a strong enduring national laboratory requires a talented, diverse workforce, the inclusion of Historically Black Colleges and Universities (HBCUs) and an intense focus on minority-serving institutions is purposefully infused into BSRA's vision by including an HBCU (SC State) as a principal partner.

The Universities and Their Current Relationship with SRNL

The University of South Carolina System

SRNL and the USC system have conducted a host of joint research projects funded by the laboratory and DOE. Research projects span the breadth of USC Columbia's College of Engineering and Computing and College of Arts and Sciences as well as USC Aiken's campus. Projects cover subjects such as advanced catalysis for upcycling plastic waste, molten salt technology for advanced nuclear reactor designs, new crystalline materials for immobilizing nuclear waste, machine learning for designing and evaluating advanced energy materials, and advanced sensors for monitoring nuclear storage sites and for nuclear non-proliferation. USC Columbia is home to the McNair Center, the Horizon energy and materials building, the Artificial Intelligence Institute, the DOE Energy Frontiers Research Center for Hierarchical Waste Forms, and facilities including the Electron Microscopy Center and the X-Ray Photoelectron Spectroscopy Center, all of which have supported SRNL collaborations. USC Columbia currently has two jointly appointed faculty with SRNL. USC Aiken is the site of the DOE-sponsored Advanced Manufacturing Collaborative (AMC), which is a \$60 million facility scheduled to open by the first quarter of 2025. The AMC, which will be operated by SRNL, will have unique capabilities and will bring together SRNL with academia and industry for collaboration.

Impact of State Funds: The USC System will broaden their current programs in pre-college, undergraduate, and graduate education, as well as through recruitment of post-doctoral scholars and new faculty who will collaborate and raise significant funding for WFD and research.

USC Columbia's goals are to strengthen the partnership by focusing on recruitment of domestic undergraduate and graduate students, thus serving SRNL's requirement of a domestic workforce serving their missions in national security and resilience. This will be done by coordinating recruitment efforts across the relevant science, technology, engineering, and mathematics (STEM) disciplines, by offering financial aid in the form of research internships in the summer and academic semesters, and by providing nationally competitive stipends for graduate students and post-doctoral research.

The USC system will also increase the number of faculty working in fields that support SRNL's three broad mission areas. USC's fields of interest include chemical and nuclear process chemistry and engineering, cyber-physical security, energy generation and storage, and data science in support of basic chemistry and materials discovery, advanced manufacturing, and national security. New faculty will train the workforce by teaching and by mentoring students in their research projects. Faculty will also collaborate with SRNL and with BSRA partners to win large, funded projects from DOE and other federal agencies. Funds will be spent to equip and update laboratories in support of existing and new faculty hires.

USC Aiken's most impactful SRNL workforce development contributions will be in the areas of cybersecurity, computer science, and engineering. The state funds will ensure USC Aiken acquires excellent faculty to train students in these high demand fields as the enrollment and maturity of the programs continue to grow over the next several years. Specifically, the funds will ensure USC Aiken can support SRNL WFD in computer science, cybersecurity, and engineering. Several programs such as mechanical engineering, process engineering, data science, and cybersecurity are growing at rate of more than 10% year over year to help meet the demand of the region. The funds will continue the growth in these programs and allow USC Aiken to teach the expanded cybersecurity, computing sciences, and engineering curriculum and provide robust high impact learning opportunities such as internships, cooperatives, and capstone projects. USC Aiken has been designated a Center of Academic Excellence-Cyber Defender program by the National Security Agency and requires additional faculty in cybersecurity and engineering to provide for the technical workforce development demands for the SRNL/AMC, and technical workforce in the region. USC Aiken has a high rate of students attending from the region and remaining in the community upon graduation. This is a key element for these high demand fields. The programs align very well with the DOE's and regional industry strategic workforce development goals and applied research outcomes for cyber, computing sciences, manufacturing, and engineering workforce outcomes. USC Aiken engages tens of thousands of K-12 students each year in STEM activities. These activities are provided to K-12 students and teachers through the Ruth Patrick Science Center and the academic departments; with this plan we will augment these programs with activities such as the GenCyber Camps, a topic of high relevance to the Lab. USC Aiken's science and engineering curriculum is based on providing high impact undergraduate experiences including industry led capstones, undergraduate research, and internships with strong workforce ready outcomes. USC Aiken collaborates with more than forty regional companies, SRNL, SRMC, on SRNS on capstone projects and internship opportunities for undergraduate students. Of the funds allocated for the system, 10% will be allocated to USC Aiken.

South Carolina State University

South Carolina State University (SCSU) is a historically Black, public, 1890 land-grant senior comprehensive institution, located in Orangeburg, South Carolina. SCSU is committed to providing affordable and accessible, quality baccalaureate programs; programs of particular interest to SRNL include business, applied professional science, mathematics, natural sciences, engineering, engineering technology, and education. SCSU has operated its Environmental Field Station with SRNL since 1995. In collaboration with SRNL, the field station offers a variety of Environmental Science courses and provides opportunities for students to participate in research projects. In addition, SCSU has conducted a number of joint research projects funded by the laboratory and DOE in areas such as: 1) Natural Attenuation Progress, Plume Movement, and Source Reduction for volatile organic compound (VOC) plumes; 2) Data Acquisition and Temporal Data Mining (TDM) System Health Physics commissioning (ISD) Sensor Network Test Bed; 3) Analyze of Fission Products from Nuclear Processes and Technology; 4) Detection of Sphingomonas Strains for use in Polycyclic Aromatic Hydrocarbon Degradation; 5) Radiochemistry/Health Physics/Nuclear Engineering; and 6) Enhancement of Environmental Remediation Monitoring and Student Training. Also, SCSU currently has one jointly appointed faculty with SRNL.

Impact of State Funds: The SCSU College of Science, Technology, Engineering, Mathematics, and Transportation (CSTEM-T) is organized into the Department of Engineering, Department of Engineering Technology, Department of Computer Science and Mathematics, and the Department of Biological and Physical Sciences. Through these administrative units, the college provides the educational setting, the laboratories, the programs, and the faculty to assist students in developing the professional and technical competencies required to function effectively in their career fields. CSTEM-T is committed to strengthening its biological and physical sciences, mathematics and computer science, and engineering departments that are directly relevant to the SRNL mission. The SRNL funding will support tenure-track faculty hires in specific areas of interest including environmental engineering and sciences (biology; chemistry and radiochemistry), health physics, nuclear engineering, and cyber security and networking. SCSU will also support significant scholarships, fellowships, and SRNL internships for its undergraduate students. Further, the state funding will support: 1) two Centers of Excellence (Center for Energy and Environmental Solutions and the Center for Nuclear Criticality and Radiochemistry); 2) the placement of faculty (jointly appointed at SRNL) in mission-relevant areas; 3) the establishment of two pre-college institutes (Summer Bridge Program and Summer Science Institute); and 4) lab enhancements, namely equipment and modifications to conduct cutting-edge research and provide a high-quality educational experience to STEM students.

Clemson University

Clemson University has collaborated closely with SRNL for more than four decades on a wide range of initiatives. Clemson's Center for Nuclear Environmental Engineering Sciences and Radioactive Management (NEESRWM) has worked with SRNL scientists on environmental health physics, radioactive waste processing, environmental risk assessment, the nuclear fuel cycle, radiation detection and measurement, environmental radiochemistry, environmental remediation, nuclear forensics, and radioecology. Clemson's Dominion Energy Innovation Center is a \$100 million world-class facility that houses (i) eGRID (Electrical Grid Research Innovation and Development), a 15-megawatt hardware-in-the-loop grid simulator; and (ii) the world's most-advanced wind-turbine drivetrain testing facility capable of full-scale highly accelerated mechanical and electrical testing of advanced drivetrain systems for wind turbines. The Dominion Center supports education, research, and economic development to

speed new electrical technologies to market. Clemson and SRNL scientists have collaborated on grid modernization and cyber physical security-related projects. SRNL scientists have frequently utilized Clemson's Electron Microscopy Facility, which has more than \$20 million in state-of-art, high-resolution transmission electron microscopes, scanning electron microscopes, a combined Focused Ion Beam (FIB)/SEM microscope, and scanning X-ray photoelectron spectroscopy microprobe for a wide range of specimens. Other key Clemson units have ongoing relationships with SRNL, including the Center for Advanced Manufacturing (CAM), the Clemson Vehicle Assembly Center, the Center for Workforce Development (CUCWD), the Clemson Nanomaterials Institute and the Advanced Materials Innovation Complex (AMIC) facility under construction in Clemson.

Impact of State Funds: Clemson will develop several workforce development programs, including undergraduate scholarships, graduate fellowships, and postdoctoral scholar support programs for domestic students, particularly South Carolina students. These efforts will cover STEM disciplines aligning with the principal focus areas of SRNL and will link the work at SRNL to students' fields of study.

Clemson will hire interdisciplinary faculty and research scientists with established research and educational reputations to support the mission of SRNL in the areas of advanced materials and manufacturing, energy generation, storage and distribution, artificial intelligence, cyber-physical security, and nuclear environmental management and security. State funds will be critical for providing competitive start-up packages and research infrastructure, as well as stipends, to highly sought talent. These faculty will train the next generation of workers to meet the SRNL's needs, as well as to collaborate with SRNL scientists to attract competitive research funding from federal agencies and industries. As indicated in the BSRA proposal to DOE, Clemson will also make a cluster hire of research scientists and engineers in power electronics and power systems research for the eGRID facility at the Dominion Energy Center to support the national security mission area of SRNL. This will provide critical mass and expertise unavailable elsewhere nationally and will advance technologies from lower to higher TRL levels.

Funds will also be instrumental in updating world-class laboratory equipment aligned with SRNL mission areas, providing students and researchers access to the latest fabrication and characterization equipment in support of environmental management, advanced manufacturing, national security, and science and energy applications.

This endeavor will build upon decades of collaborative research between Clemson and SRNL. Current formal relationships are through BSRA joint faculty appointments (under a comparable model to the current SRNL/Clemson Joint Appointee Professor Brian Powell), and large research initiatives such as the Mesoscale Transport and Flux Facility (MTaFF). We expect these funds to enable deeper and broader collaborations with SRNL and other BSRA partners.

Ongoing Collaborative Activities

In the 2+ years since BSRA assumed management of the Lab, the South Carolina universities have been active participants in many collaborative initiatives with the Lab.

- **BSRA LLC Board of Directors:** The Board holds three in-person meetings per year, at locations alternating between the site, one of the member universities, and so far, one meeting in Washington DC. Each university provides one Board member; Professors Tanju Karanfil (CU), Louis Whitesides (SCSU), and Michael Matthews (USC System) are the Board representatives for their respective institutions. Board meetings typically include the Director and two Deputy Directors of SRNL, as well as selected Associate Lab Directors and the Director of Innovation and University

Engagement. After each meeting, the Board makes detailed recommendations to the Laboratory Director.

- **Mission Committee of the BSRA LLC Board:** The Mission Committee meets three times per year, in advance of the full Board meetings. The Mission Committee reviews programs including new initiatives and new funding, current and planned facilities and testbeds, and progress toward in this university-Lab WFD collaboration. The Mission Committee reports to the full BSRA Board.
- **SRNL Annual Collaboration Exchange meetings:** SRNL organizes a major meeting each summer, focusing on selected research priorities of the Lab. The universities will continue to support faculty, post-doctoral researchers, and students to participate in the meeting. The meeting results in one-on-one interactions with Lab researchers, leading to development of funded programs.
- **SRNL Student poster sessions:** The Lab hosts two poster sessions each year. This allows Lab personnel to interact with SC university students at the undergraduate, graduate, and post-doctoral levels, with a primary goal of introducing university students to careers in the Lab.
- **SRNL Summer Intern program:** The Lab hosts qualified undergraduate and graduate students for summer research internships, where they are supervised and mentored by Lab personnel. The SC university partners, along with the Lab-relevant faculty, promote these opportunities to our students. SRNL has established a formal presence in the career placement centers of each university; this is another avenue by which internship and permanent job openings are advertised.
- **SRNL Post-doctoral Fellowships:** The Lab has a robust program to recruit domestic post-doctoral scientists and engineers to two-year positions at the Lab. University Joint Appointees collaborate with SRNL staff to prepare funding proposals for these positions, and the university collaborator then participates in mentoring of the postdoc and in publishing scientific results. One goal is to turn these into permanent Lab staff positions. Another desired outcome would be for the postdoc to accept a faculty position at a SC university, thus maintaining strong intellectual and collaborative relationships over the long term.

New Workforce Development Activities Supported by State Funding

Objectives

The overall objective of this research partnership and workforce training program is to develop a workforce development pipeline that will provide SRNL with new talent. As the partnership matures, we will also respond to the Lab's requests for short courses and certificates that support the professional development of its employee base. As a result of these activities, after five years the SC Universities expect to double DOE and energy-related research funding from the current base of approximately \$40M in new awards annually to a sustainable \$80M in new awards per year.

As originally proposed to DOE, the universities will develop a multi-tiered WFD initiative comprising (Table 1):

- 1) precollege student workforce pipeline;
- 2) undergraduate student programs;
- 3) graduate student programs;
- 4) post-doctoral scientist program; and
- 5) research and continuing professional development program.

Currently, staff who work within the Lab must be able to obtain security clearance, thus the emphasis on domestic students and especially a focus on SC students. The University of South Carolina System, SC

State University, and Clemson University will use state funding to support the various tiers of the WFD initiative along with programmatic operations necessary to provide coordination.

Program Metrics and Accountability

Table 1 below summarizes the aggregated metrics that will be reported as required by the state (a detailed breakdown by university is given in Table 3 following). The metrics shown are headcounts, for example, number of pre-college students attending events, number of students undergraduates receiving scholarships or conducting research, or number of new hires. The three universities will also report WFD outcomes to the BSRA LLC Board of Directors, which meets three times each year. Board meetings are an additional mechanism to ensure collaboration and accountability among the partners. While this plan encompasses three years, it is recognized that specific accomplishments will vary from the original plan. Because university personnel are members of the Battelle Savannah River Alliance, LLC (BSRA), all annual plans for the expenditure of funds will be approved by BSRA.

The universities must report quarterly to the Commission on Higher Education (CHE) regarding the expenditure of funds by program element on a form developed by CHE. CHE will then provide this information to the House Ways and Means Committee, the Senate Finance Committee, and the Office of the Governor. The universities will annually present a report to CHE documenting expenditures incurred, and progress made toward achieving the objectives.

Table 1. Programmatic Metrics.

Tiers	Programs & Activities	3-Year Goals
Pre-College Student Workforce Pipeline	Summer Bridge Program (SCSU)	150 students
	Summer Science Institute (SCSU)	150 teachers
	GenCyber Camps (USC-Aiken)	150 HS students; 100 STEM teachers
	Summer Scholars Institute USCA	90 students
	Summer math bridge pgm USCA	100 students
	Support to local STEM education K-12 RPC Cyber outreach	300 teachers
Undergraduate Student Programs	Undergraduate fellowships or research assignments	125 undergraduates
	Graduate fellowships	60 graduate students
Graduate Student Programs	Graduate Student Stipends and Fellowships	55 graduate students
Postdoctoral Scientist Program	Post-doctoral fellowships	13 postdocs
Research and Continuing Professional Development Program	Visiting scientists	5 visiting scientists
	New Hires-Faculty ³	20 new hires
	New Hires-Scientist/Staff	6
	Certifications/coursework for SRNL staff	50 SRNL employees

³ New faculty hires will be made in areas that mutually support the core competencies needed for SRNL mission and the academic disciplines of the SC universities. SRNL mission priorities include environmental remediation, nuclear materials processing, data science and computer simulation, energy security, engineering and advanced manufacturing, nuclear non-proliferation, and national security including cyber-physical security. Accordingly, the SC universities currently expect that the 20 hires shown will be in the following academic disciplines: Chemistry and Materials Science-4; Electrical Engineering-3; Computing Sciences-3; Chemical Engineering-3; Mechanical and Nuclear Engineering-4; Physics-1; Environmental Science/Engineering including Biology-2.

Common Program Elements and Budget Categories

Specific activities to be funded are described in the Common Program Elements below; Elements 1-5 correspond to the Program Metrics (Table 1) and to the first five lines in “Program Element” of Table 2, Budget Breakdown, which follows. Each institution will internally fund efforts in the various tiers in keeping with their institutional missions and focus areas. Table 2 also shows the planned expenditures by Program Element for each individual institution.

1. **Precollege Student Workforce Pipeline Programs (USC Aiken and SC State)** – SCSU will establish a Summer Bridge Program and a Summer Science Institute to serve pre-college students and teachers, especially those that are historically under-represented in STEM fields. The three-year Goal is 150 participants in each program. The Summer Bridge Program will be a 5-week program for high school students who have been accepted into a STEM program at SCSU. The Summer Science Institute will allow the participants, who are high school science teachers, a chance to work with SCSU faculty and undergraduate and graduate students, perform research, and visit SRNL facilities. In addition, the participants will have the opportunity to hear discussion on research topics by professors from other universities (Clemson and University of South Carolina) and SRNL. Each participant will develop classroom science materials and take several resources back to the classroom, which is an excellent way for educators to increase their SRNL/science knowledge and gain valuable hands-on experience that will invigorate excitement in the classroom and raise their comfort level in teaching a science curriculum.

Expansion of the Ruth Patrick Science Center program at USC Aiken will focus on increasing the cybersecurity workforce via the GenCyber Camps, which will reach 150 students and 100 teachers over the course of this plan. USC Aiken will also expand its engineering workforce with The Summer Scholars Institute (a summer research activity) and the Summer Math Bridge program, for students requiring additional math preparation before starting college STEM courses.

2. **Undergraduate Student Programs (All SC institutions)** – The universities will offer a combination of undergraduate fellowships supporting academic year research with DOE-oriented faculty, and summer research programs that will help identify undergraduate students to recruit for graduate programs. For these summer programs, SRNL staff will participate by offering lab tours and opportunities to interact with research staff. There will be a strong focus to attract South Carolina students from STEM departments around the state. The cumulative goal is at least 115 new BS degrees in STEM fields.
3. **Graduate Student Programs (Clemson and USC Columbia)** – To meet the SRNL and DOE missions, domestic graduate students will be recruited by the universities and will be trained by junior and senior faculty working with SRNL in mission relevant areas. A full stipend and tuition for a predetermined period, at a level that is roughly equivalent to a National Science Foundation (NSF) graduate fellowship, may be offered. Alternatively, for graduate students with existing support a stipend supplement or a grant for tuition may be offered. The collective goal is to support at least 55 domestic graduate students to obtain their advanced degrees.
4. **Postdoctoral Scientist Programs (Clemson and USC Columbia)** – Approximately 13 Postdoctoral scientists will be recruited by the universities for typically two-year appointments. STEM post-docs will be selected to work with university faculty in SRNL mission-relevant areas. Postdoctoral

scientists will be introduced to collaborators at SRNL. Through this program, the postdoctoral scientists will be equipped to continue a professional career supporting the DOE mission, either at the Lab or in another professional capacity.

5. **Research and Continuing Professional Development Program (All SC Institutions)** – A key component of this joint plan is for the universities to (a) add new Lab mission-relevant faculty and (b) to recruit visiting scientists to conduct joint research. These personnel will connect world-class skills and expertise of the BSRA academic partners with new program activities in each SRNL mission area (e.g., environmental management, national security, energy, science). Our goals include 32 new faculty hires, 8 visiting scientists, and 6 hires at the level of research scientist/staff to support large research teams and interdisciplinary projects. For new STEM faculty hires on 9-month contracts, a portion of the startup expenses (i.e., lab equipment and renovations and some salary in the summer) will be funded using the allocated state budget, according to university policies. These faculty will be recruited with the goal of increasing collaborative DOE and energy-related research funding within the state of South Carolina. Visiting scholars will spend a sabbatical year jointly between the universities and the Lab. This is a strategic tactic for recruiting leading researchers into South Carolina universities and to SRNL. Appropriate departmental appointments for visiting scholars will be arranged on a case-by-case basis, and may include appointments as an adjunct, visiting or research (non-tenure track) faculty member.

An additional goal in the original BSRA proposal to DOE was to develop focused technological education programs (e.g., short courses and/or credentials) for the continuing professional development of approximately 50 SRNL staff. (Note that no new bachelors or graduate degree programs will be developed using state funding.) This professional development effort for SRNL will be greatly enhanced by completion of the \$20M Joint Workforce Development facility, funded in 2022 by the state legislature and currently in planning in downtown Aiken, SC. In general, these educational programs will be in STEM fields such as actinide science, cyber security, nuclear and radiation safety, data science, virtual reality, advanced manufacturing, environmental analysis, or additional subjects such as business and project management. The specific topics will be identified during the execution of this plan.

6. **Equipment and Lab Infrastructure (All SC Institutions)** – Refer now to Table 2. SRNL's plans for WFD call for significantly enhanced collaborative research and education with its university partners. Supporting the SRNL mission areas require cutting-edge equipment and laboratories at the universities, as well as in the Lab. Equipment and infrastructure will support recruitment of faculty and students, collaborative research with Lab personnel, and competitiveness in seeking federal funding. Each university plans investments in areas including cyber physical security, nuclear science and engineering, chemistry and materials science, grid infrastructure, and data science.
7. **Program Management and Seed Programs (All SC Institutions)** – To ensure collaborative execution of this WFD plan, each institution will fund personnel to assist with program management. The university program managers will coordinate recruitment, marketing, collaborative travel, and messaging. A critical need for the Lab is to recruit and retain domestic staff to work at the Lab. The typical undergraduate or graduate STEM student has no awareness of the types of careers and work available in a national laboratory setting. So, in addition to the

Program Elements described above, USC System, CU, and SC State will develop and support an annual “National Laboratory Career Day” to be held annually on a rotating basis on one of our campuses. The overall program will invite National Lab employees to meet face to face with STEM students; this event will allow for question-and-answer as well as formal presentations. The desired goal of the Career Day is to create awareness and interest in careers, thus helping create and fill the pipeline for the future workforce. The universities also intend to use Program Management funds in the form of seed grants for highly meritorious activities that have high potential to lead to increased funding from DOE.

Budget Breakdown and Spend Plan

Table 2 shows the anticipated total expenditures plus commitments under each program element described above. (Note that the color coding in Table 2 corresponds to Table 3, the Schedule of Engagement.) The planned period of expenditures plus commitments is based on three years (36 months) from the time of awarding of the funds. The timing of expenditures depends strongly on success in recruitment of domestic faculty, students, and staff. Faculty recruitment especially is highly competitive, and negotiations are sometimes protracted. The universities will report budget activities as follows: actual expenditures, commitments made to new hires when offers have been accepted, and as commitments made to authorize the searches for the positions. When offers are accepted, we will be better able to predict an actual schedule of expenditures. We will update Tables 2 and 3 based on our progress, which will help us to improve our projections for following years. Our goal is to have all funds committed by the end of Year 3. We have assumed a start date of 1 July 2025, the beginning of fiscal year 2025. The budget lines in Table 2 are estimated based upon internal university planning. Funding may be reallocated from different programs as the overall program fully matures and lessons learned are incorporated by each university and the Lab.

Table 2. Budget breakdown by school and program element. Spending plan for FY25 through FY27 by school and program element.

Program Element	USC System	Clemson	SC State
Precollege Student Workforce Pipeline Programs	\$0.29M	\$0.00	\$0.71M
Undergraduate Student Programs (Scholarships; GI Bill; summer research)	\$0.82M	\$0.60M	\$2.40M
Graduate Student Programs	\$2.99M	\$1.05M	\$0.00
Postdoctoral & Research Scientist Program	\$1.20M	\$2.13M	\$0.00
Professional Development of SRNL Employees (New Faculty Appointments, Visiting Scholars, Sabbatical, Education)	\$7.72M	\$9.00M	\$2.82M
Equipment and Lab modifications	\$2.02M	\$2.30M	\$1.59M
Program Mgmt./Seed Program	\$0.96M	\$0.92M	\$0.48M
Total	\$16,000,000	\$16,000,000	\$8,000,000

Table 2 (continued). Budget breakdown by school and program element. Spending plan for FY25 through FY27 by school and program element.

Clemson	Total Budget (All Years)	FY2025 (12 mos)	FY2026 (12 mos)	FY2027 (12 mos)
Undergraduate Student Programs (Scholarships; GI Bill; summer research)	\$600,000	\$150,000	\$300,000	\$150,000
Graduate Student Programs	\$1,050,000	\$245,000	\$525,000	\$280,000
Postdoctoral & Research Scientist Program	\$2,130,000	\$675,000	\$1,065,000	\$390,500
Professional Development of SRNL Employees (New Faculty Appointments, Visiting Scholars, Sabbatical, Education)	\$9,000,000	\$3,150,000	\$3,150,000	\$2,700,000
Equipment & Lab modifications	\$2,300,000	\$1,800,000	\$500,000	
Program Mgmt./Seed Program	\$920,000	\$306,667	\$306,667	\$306,667
Clemson Totals	\$16,000,000	\$6,326,667	\$5,846,667	\$3,827,167

University of South Carolina System	Total Budget (All Years)	FY2025 (12 mos)	FY2026 (12 mos)	FY2027 (12 mos)
Precollege Student Workforce Pipeline Programs	\$290,000	\$48,000	\$125,000	\$117,000
Undergraduate Student Programs (Scholarships; GI Bill; summer research)	\$820,000	\$120,000	\$400,000	\$300,000
Graduate Student Programs	\$2,990,000	\$450,000	\$1,270,000	\$1,270,000
Postdoctoral & Research Scientist Program	\$1,200,000	\$200,000	\$500,000	\$500,000
Professional Development of SRNL Employees (New Faculty Appointments, Visiting Scholars, Sabbatical)	\$7,720,000	\$2,500,000	\$3,720,000	\$1,500,000
Equipment & Lab modifications	\$2,020,000	\$525,000	\$1,195,000	\$300,000
Program Mgmt./ Seed Program	\$960,000	\$320,000	\$320,000	\$320,000
USC System Totals	\$16,000,000	\$4,163,000	\$7,530,000	\$4,307,000

South Carolina State University	Total Budget (All Years)	FY2025 (12 mos)	FY2026 (12 mos)	FY2027 (12 mos)
Precollege Student Workforce Pipeline Programs	\$710,000		\$355,000	\$355,000
Undergraduate Student Programs (Scholarships; GI Bill; summer research)	\$2,400,000	\$240,000	\$1,080,000	\$1,080,000
Professional Development of SRNL Employees (New Faculty Appointments, Visiting Scholars, Sabbatical)	\$2,820,000	\$1,380,000	\$1,200,000	\$240,000
Equipment & Lab modifications	\$1,590,000	\$530,000	\$795,000	\$265,000
Program Mgmt./ Seed Program	\$480,000	\$160,000	\$160,000	\$160,000
SCSU Totals	\$8,000,000	\$2,310,000	\$3,590,000	\$2,100,000
SC Schools Yearly Totals	\$40,000,000	\$12,799,667	\$16,966,667	\$10,234,167

Schedule of Engagement

Table 3 shows current plans for specific WFD activities and the associated engagement of individuals (students, teachers, and various professionals). “Engagement” means that an individual is identified with an activity (for instance, a student is receiving a scholarship, or a new faculty member is hired). The universities operate on summer, fall, and spring schedule, with summer terms beginning mid-May. Because FY 25 starts 1 July 2024, in the middle of a summer term, engagement in summer 2025 is mostly zero except for high-school oriented activities at USC-Aiken, where SRNL WFD funds will augment their already-planned programs. Overall, engagement in FY 2025 will be low compared to subsequent FYs because of the timing of the funds and the lag in advertising, recruitment, and outreach efforts. We plan for three full summers (2026, 2027, and 2028); headcounts shown in FY 27 cover summers of CY 27 and 28.

While Table 1 shows the aggregated goals for the SC universities, Table 3 shows new engagements by term for each university. The entries in Table 3 are distinct headcounts, for instance, a scholarship or fellowship offered to a new student. Note that an undergraduate receiving a fellowship in a given academic term would continue receiving that fellowship in subsequent terms. In the case of undergraduate and graduate students, the entries marked with an asterisk (*) represent the number of degrees that we expect to grant, including years beyond these three FYs. The hiring of research scientists and new faculty are likewise distinct headcounts. The cumulative headcount goals for each activity program are shown in the last column. We plan to commit all funds by the end of FY 2027, but students on fellowships, or new faculty receiving funds for starting up laboratories may incur expenditures beyond FY 2027.

Referring to the several teacher- and student-oriented rows in Table 3, these activities will commence in FY 2025 at USC Aiken. The universities anticipate offering the first round of undergraduate scholarships in Fall of FY 2025 and ramping up the intake of students in the next two fiscal years. Summer undergraduate research activities will begin in FY 2026, and we plan to support UG research for three summers. The recruitment of domestic graduate students for the STEM fields is challenging; we will ramp up recruitment and outreach in FY 2025 to increase the number of incoming students in subsequent years.

Subsequent rows in Table 3 concern hiring of research staff, new faculty, and other professionals. The timing of these is more difficult to predict because of the challenging marketplace and the time required for recruitment and negotiation of offers. Given the timing of the WFD funds, start dates in Fall 2025 are not probable so the first incoming professionals are planned for in Spring of FY 2025, or January of CY 25. The equipping of laboratories and the purchase of equipment will follow the arrival of new faculty and professional staff.

These SRNL WFD activities will lead to a doubling in energy and SRNL-related federal awards, not only from the Department of Energy/SRNL but from agencies such as the National Science Foundation, Army Research Office, and others that have related programs in materials science, environmental engineering, energy science and security, cyber security, and other fields related to the SRNL mission. In the current funding climate, “workforce development” has become a consistent theme even in traditional basic research funding, so establishing a strong workforce development program in South Carolina with these funds will position our universities to significantly leverage this initial \$40M investment. Our new faculty and professional staff hires will submit additional proposals that complement our existing expertise. This, along with the increase in the domestic research workforce, will position the universities in an enhanced competitive position. We expect a two-to-one leveraging of the state’s \$40M investment, leading to \$80M in new funding cumulatively that can be directly associated with this plan.

Table 3. Detailed Schedule of Engagement by Institution and Academic Term (* indicates students who should receive a degree)

Clemson	FY2025 (12 mos)			FY2026 (12 mos)			FY2027 (12 mos)			Cum. Count
Activity	Su	F	Sp	Su	F	Sp	Su	F	Sp	3+ Yrs.
Undergraduate Scholarships & GI Bill students		5			15			20		40*
Summer undergraduate research students				10			20			30
Incoming Graduate Students		5			10					15*
Postdoctoral Students & Research Scientist Program			3		2					5
Research Scientists hired		1	2							3
Visiting Scholars incl. sabbaticals					2			2		4
New faculty hired			4		3		3			10
Laboratories equipped and outfitted					2		3			5
New professional development courses					1			1		2

University of South Carolina System	FY2025 (12 mos)			FY2026 (12 mos)			FY2027 (12 mos)			Cum. Count
Activity	Su	F	Sp	Su	F	Sp	Su	F	Sp	3+ Yrs.
GenCyber Camp-HS students	40			55			55			150
GenCyber Camp-Teachers	20			40			40			100
Summer Scholars Institute	30			30			30			90
STEM Teacher Outreach-RPC	100			100			100			300
Undergraduate Scholarships & GI Bill students		5			20			20		45*
Summer undergraduate research students				20			40			60
Incoming Graduate Students		5			20			15		40*
Postdoctoral Students & Research Scientist Program			1		3			4		8
Research Scientists hired		1		1						2
Visiting Scholars incl. sabbaticals					2		2			4
New faculty hired			2		5			4		11
Laboratories equipped and outfitted					2		5			7
New professional development courses					1			1		2

South Carolina State University	FY2025 (12 mos)			FY2026 (12 mos)			FY2027 (12 mos)			Cum. Count
Activity	Su	F	Sp	Su	F	Sp	Su	F	Sp	3+ Yrs.
Summer Bridge Pgm-HS Students				50			100			150
Summer Science Inst.-Teachers				50			100			150
Undergraduate Scholarships & GI Bill students			5		15			10		30*
Summer undergraduate research students				5			10			15
Research Scientists hired			1							1
New faculty hired			3		4			4		11
Laboratories equipped and outfitted					3		4			7
New professional development courses						1			1	2

11.24. (CHE: Battelle Alliance at Savannah River National Lab) Of the funds appropriated for the Battelle Alliance, twenty percent shall be allocated to South Carolina State University, forty percent to the University of South Carolina, and forty percent to Clemson University. The funds must be expended collaboratively to conduct research partnerships and develop workforce training programs designed to fill engineering, science, research, and management positions. The three universities shall provide the Battelle Alliance with accredited academic personnel, intellectual capital, and resources necessary to build out research capabilities and programs.

Prior to the allocation or expenditure of any funds, the three universities shall collaborate and submit to the Commission on Higher Education a comprehensive plan and timeline for how the funds will be utilized to further the mission and support of the Savannah River National Lab. The plan also must be reviewed by Battelle for alignment with laboratory missions and university goals. This collaborative plan must be submitted to the Commission on Higher Education and approved by its Board of Commissioners. After approval of the plan, the commission shall submit the plan to the Joint Bond Review Committee for review and comment and to the State Fiscal Accountability Authority for approval before any funds can be allocated or expended. If the plan is not approved by June 30, 2024 by the Commission on Higher Education, Joint Bond Review Committee, and State Fiscal Accountability Authority, all funds must then be remitted back to the general fund of the state. Funds allocated for this purpose shall not be transferred or utilized for any other purpose.

Capital Improvements Joint Bond Review Committee

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January 24, 2024

Mr. Georges Tippens
Deputy Director and General Counsel
South Carolina Commission on Higher Education
1122 Lady Street
Columbia, SC 29201

Dear Mr. Tippens:

At its meeting today, the Joint Bond Review Committee reviewed the plan submitted pursuant to Proviso 11.24 of the Fiscal Year 2023-24 Appropriations Act, which provides among other things for funding to South Carolina State University, the University of South Carolina, and Clemson University that must be expended collaboratively in support of the Battelle Alliance. The Proviso further provides that a comprehensive plan must be submitted to the South Carolina Commission on Higher Education, which is subject to the review and comment of the Joint Bond Review Committee, and approval of the South Carolina State Fiscal Accountability Authority. The Commission's Board approved the plan on December 7, 2023.

Following its review, the Committee observed that, while the plan as submitted includes expenditure plans and program metrics, accountability measures and reporting requirements are not as well-developed. Accordingly, the Committee directed staff to work with the Commission and other interested parties in developing additional accountability measures and in establishing periodic reporting requirements to be included in the plan, with any recommendations reported back to the Committee at its next meeting scheduled on March 20, 2024.

Committee staff will contact you in the next week to discuss compliance with this directive. In the meantime, please advise if you have any questions.

Very truly yours,

F. Richard Harmon, Jr.
Director of Research

c: Mr. Grant Gillespie, Executive Director
Mr. Delbert Singleton, Authority Secretary
South Carolina State Fiscal Accountability Authority

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

The Authority is asked to approve the following permanent improvement project establishment requests and budget revisions as requested by the Department of Administration, Executive Budget Office as noted herein. All items were reviewed favorably by the Joint Bond Review Committee (JBRC).

(a) Project: JBRC Item 1: College of Charleston
H15.9679: 58 George Street Renovation

Request: Establish Phase II Full Construction Budget to complete repairs and construct a small addition to the Barnard Elliot House in Charleston.

Included in CPIP: Yes – 2023 CPIP Priority 2 of 10 in FY24 (estimated at \$5,750,000)
CHE Approval: 02/01/24
Phase I Approval: December 2022 (estimated at \$5,750,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement Project	143,750		143,750	4,979,155	5,122,905
Other, Donation				627,095	627,095
All Sources	<u>143,750</u>		<u>143,750</u>	<u>5,606,250</u>	<u>5,750,000</u>

Summary of Work: The project will include full interior and exterior renovations, structural repairs, roof replacement, infrastructure modernization, demolition of two small building additions, and construction of a 2,462 square foot modern building addition. The renovated original structure will contain offices, communal space, and meeting/seminar rooms for students and staff. The building addition will integrate modern infrastructure including a passenger elevator, ADA compliant restrooms, infrastructure support spaces, code compliant circulation, flexible event space, interview rooms, offices, and a conference room. The existing terne coated metal roof will be replaced with a metal roof and will come with a 50-year material and workmanship warranty.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Rationale: 58 George Street has significant structural issues with temporary indoor shoring to support the center of the building. The building was taken offline in 2015 due to structural instability and remains vacant. In order for the building to be re-occupied, repairs need to be made. This building is historically protected and cannot be demolished.

Facility Characteristics: The Barnard Elliot House at 58 George Street is a four-level, 6,327 gross square foot building, and the original historic 3,902 gross square foot building was constructed in 1803 (221 years old). Subsequent to the original construction, two small building additions totaling 2,425 square feet were added and will now be demolished. A new 2,462 gross square foot building addition will be added. No significant improvements have been made to the building in 37+ years. After renovations are complete the building will provide a new centrally located home for the student Edward J. Tuccio '91 Student Success Center and Center for Civic Engagement. The Student Success Center will consolidate resources to improve student retention, persistence and completion. The project will benefit 10,677 students, 847 faculty, 865 staff, clients, visitors, parents and potential students.

Financial Impact: This phase of the project will be funded from Other, Capital Improvement Project (uncommitted balance \$26.25 million at December 8, 2023), and Other, Donation Funds (uncommitted balance \$627K at December 8, 2023). Revenue to the Capital Improvement Project fund is generated by the Capital Improvement Fee that exceed current annual debt service related to bonds. The project is expected to result in a decrease of \$2,000 (year 1), \$2,060 (year 2), and \$2,122 (year 3), in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024. \$622 of the \$906 is currently pledged for debt service. The balance of the fee, \$284 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$5,750,000 funded by Capital Improvement Project, and Donation Funds. Contract execution is expected in September 2024 and completion of construction in December 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(b) Project: JBRC Item 2: Lander University
H21.9565: Student Dining Hall Renovation

Request: Establish Phase II Full Construction Budget to renovate the dining hall in the Grier Student Center.

Included in CPIP: No – The project was not included in the 2023 CPIP submission due to an oversight by the university, as well as the project was estimated to cost less than \$2,000,000.

Phase I Approval: December 2023 (estimated at \$2,500,000) (SFAA)

CHE Approval: 02/01/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Aramark Contract Requirement	37,500		37,500	3,062,500	3,100,000
All Sources	<u>37,500</u>		<u>37,500</u>	<u>3,062,500</u>	<u>3,100,000</u>

Summary of Work: This project will remove the existing food preparation and serving venues, and replace with upgraded, versatile venues where the equipment and appliances allow the preparation of a wide variety of menu items. Upgrades to the dining hall aesthetics such as ceiling, lighting, flooring, and furnishings, are also included. Utility infrastructure will be updated to support the re-design.

Rationale: The university entered into a contract with Aramark in August 2023. As part of the required deliverables, the vendor agreed to invest in infrastructure updates.

Facility Characteristics: Grier Student Center is a 3-story, 61,000 square foot building constructed in 1978 (46 years old). The student dining hall is on the bottom floor of the building and is 19,300 square feet. Due to continued increases in enrollment, the dining hall footprint was expanded and renovated in 2007. Approximately 3,600 students and 180 faculty, staff, visitor, and guests, utilize the dining hall each day.

Financial Impact: The project will be funded from an Aramark Contractual Requirement (uncommitted balance \$3.5 million at January 29, 2024). The project is not

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. Currently, no portion of tuition is designated for capital improvements.

Full Project Estimate: \$3,100,000 funded by Aramark Contract Requirement Funds. Contract execution is expected in May 2024 and completion of construction in October 2024.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(c) Project: JBRC Separate Item: South Carolina State University
H24.9663: Supplemental Housing – Modular Lease

Request: Establish Phase I Pre-Design Budget to lease modular units to serve as housing.

Included in CPIP: No – The project was not included in the 2023 CPIP submission because the need for the modular units was not confirmed at that time.

CHE Approval: 12/07/2023

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Student Housing Improvement				53,220	53,220
All Sources				<u>53,220</u>	<u>53,220</u>

Summary of Work: This project will provide a single configured modular units with a capacity of 150 beds for auxiliary student housing. The university has stated that the units will meet all code requirements of the IBC and the state of South Carolina as it pertains to construction and life safety, and they have confirmed that the university will comply with the SC Consolidated Procurement Code.

Rationale: Due to recent influxes in student enrollment the university is hard-pressed to discover innovate strategies for student accommodations and is seeking to lease modular units to off-set current capacity limitations.

Facility Characteristics: The total square footage for the modular units will be +/-22,000 square feet and will provide a living and learning environment to approximately 150 students.

Financial Impact: The project will be funded from Student Housing Improvement Funds (uncommitted balance \$4.82 million at November 30, 2023). Revenues to this account are generated from standard room and board charges, which are determined and approved by the Board of Trustees and are used to cover costs of maintaining the facilities. The current amount per student, per semesters is \$1,001. The project is expected to result in an increase of \$156,000 (years 1 thru

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

3), in annual operating expenditures. No student fees or tuition will be increased because of the project.

Full Project Estimate: \$3,548,000 (internal) funded by Student Housing Improvement Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(d) Project: JBRC Item 3: University of South Carolina - Columbia
H27.6157: Booker T. Washington Renovation

Request: Establish Phase I Pre-Design Budget to renovate the historic building.

Included in CPIP: No – The federal funding for this project was not received until after the 2023 CPIP submission.

CHE Approval: 03/07/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Park Service				90,000	90,000
All Sources				<u>90,000</u>	<u>90,000</u>

Summary of Work: The project will replace the roof, replace aged mechanical and electrical systems, improve restrooms to comply with ADA guidelines, and renovate and re-purpose portions of the building for functional and aesthetic purposes. All roofing material options will be evaluated during the Phase I process. The building will be designed to meet either LEED Silver or Two Green Globes certification standards.

Rationale: The building has areas with original infrastructure and original and/or aged finishes that require replacement and modernization.

Facility Characteristics: The Booker T. Washington Building is 36,328 gross square feet and was constructed in 1955 (69 years old). The entire building will be renovated in the project. The building is occupied by academic programs, support services, and the local community. Approximately 2,000 students, faculty, staff and local community will use the facility daily.

Financial Impact: This project will be funded from Federal, National Park Service Grant Funds (reimbursable grant uncommitted balance \$6 million at February 2, 2024). Revenue received is to fund physical preservation of historic sites to include districts, buildings, sites, structures, and objects. The project is expected to result in a decrease of \$28,000 (years 1 thru 3), in annual operating expenditures. No

AGENCY: Department of Administration, Executive Budget Office

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student fees or tuition will be increased because of the project. A portion of tuition is designated for capital improvements, currently \$40 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$6,000,000 funded by National Park Service Grant Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (e) Project: JBRC Separate Item: University of South Carolina - Columbia
H27.6139: New Health Sciences Campus – Medical Education and Research Facilities
- Request: Establish Phase II Full Construction Budget to construct a new University of South Carolina School of Medicine facility to replace current leased space in the Wm. Jennings Bryan Dorn Veterans Affairs Medical Center campus in Columbia.
- Included in CPIP: Yes – 2023 CPIP Priority 1 of 16 in FY24 (estimated at \$300,000,000)
Phase I Approval: July 2021 (estimated at \$300,000,000) (SFAA)
CHE Approval: 03/07/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Institution Bonds				100,000,000	100,000,000
FY19 Capital Reserve (18)				5,000,000	5,000,000
				15,000,000	15,000,000
FY20 Capital Reserve (13)				25,000,000	25,000,000
FY22 Capital Reserve (10)				25,000,000	25,000,000
				10,000,000	10,000,000
FY23 Capital Reserve (9)					
Appropriated State, FY22 Proviso 118.18 (B) (17) (a)				5,000,000	5,000,000
	4,200,000		4,200,000	110,800,000	115,000,000
Appropriated State, FY24 USC Medical School					
Other, Institutional					

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

All Sources	<u>4,200,000</u>	<u>4,200,000</u>	<u>295,800,000</u>	<u>300,000,000</u>
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Summary of Work: The proposed new Medical Education Building will provide spaces to accommodate classrooms, anatomy labs, clinical skills, simulation spaces, faculty offices, administration offices, and student support. The four-story education and research building will be comprised of approximately 308,000 gross square feet. Approximately 150,000 gross square feet is allocated for the Education program, 125,000 feet is allocated for Research (wet labs, vivarium, lab support spaces), and 33,000 gross square feet is allocated for “Common” programmatic elements. The master plan incorporates both the initial facility and subsequent phases that will add buildings and create structured parking in the future. This first phase will provide the education and research building in the heart of the 16 acres with a separate central utility plant. The central utility plant is designed to support one future building and is expandable to support additional future buildings. The majority of the roof to be installed on the new buildings will be a TPO membrane roof system. Portions of the building that need a more durable walking surface for maintenance will be a modified bitumen membrane roof for durability where required. The roofs will come with a minimum 20-year material and workmanship warranty. Approximately 700 surface parking spaces will be created with roughly half of the spaces located south of the building and half to the north of the building. These surface lots will be the locations of future buildings. Site planning also incorporates sensitive urban planning themes enforced upon development within the Bull Street District. The entire 16-acre site will be improved with grading, landscaping, asphalt surface parking, paving to include Cooper Drive, and site utilities.

Rationale: The current School of Medicine at the Dorn VA Center campus does not reflect a cutting-edge reputation and the location is unsustainable with critical space and technology constraints. The space is leased from the U.S. Department of Veterans Affairs through an agreement that terminates in 2030. The SOM at the VA campus space requires extensive capital investment which would be unwise for space that the university does not own or control beyond 2030. Both the SOM and the Dorn VA Center are outgrowing their respective spaces, and the VA intends to recover and occupy large portions of space currently leased by USC. Some USC research space is expected to remain active at the VA site. These and other factors have led the university to determine that a modern, efficient new facility, located closer to both the USC Columbia campus and to Prisma Health in downtown Columbia, is the most effective long-term strategy for the School of Medicine and a Health Sciences Campus.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Facility Characteristics: The site for the new 308,000 gross square foot four-story Health Sciences Campus is 16 acres in the Bull Street District in downtown Columbia. The site is near the Prisma Hospital and about 2 miles north of the USC Columbia campus. This location will be more convenient to USC's main campus and the Prisma Health Campus where many third and fourth-year medical students will have the opportunity for practical experience. The total estimated square footage of the Medical Education and Research Building and the Central Utility Plant is 335,393 gross square feet. The Medical Education Building will be home for the USC School of Medicine. The Research Building will accommodate inter-disciplinary research in support of Medicine, Public Health, and other synergistic programs. Using the enrollment growth plan as a guide, the estimated number of students, faculty, staff, and visitors expected to utilize the new facility is approximately 2,000.

Financial Impact: This phase of the project will be funded from FY19 Capital Reserve (uncommitted balance \$5M at January 31, 2024), FY20 Capital Reserve (uncommitted balance \$15M at January 31, 2024), FY22 Capital Reserve (uncommitted balance \$25M at January 31, 2024), FY23 Capital Reserve (uncommitted balance \$25M at January 31, 2024), FY22 Appropriated State (nonrecurring) (uncommitted balance \$10M at January 31, 2024), FY24 Appropriated State, USC Medical School (uncommitted balance \$5M at January 31, 2024), and Other, Institutional Funds (uncommitted balance \$217 million at January 31, 2024). Institutional Funds come primarily from regular operating funds. The project is expected to result in a decrease of \$1,050,000 (years 1 thru 3), in annual operating expenditures. No student fees or tuition will be increased because of the project. A portion of tuition is designated for capital improvements, currently \$40 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024. The buildings will be constructed to meet LEED Silver certification standards with anticipated energy savings of \$10,389,600 over a 30-year period.

Full Project Estimate: \$300,000,000 funded by Institution Bonds, Capital Reserve, Appropriated State, and Institutional Funds. Contract execution is expected in November 2024 with construction completion in August 2027.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (f) Project: JBRC Item 4: University of South Carolina - Upstate
H34.9557: George Dean Johnson Building Acquisition
- Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of a building and +/-one acre at 160 E. St. John Street in downtown Spartanburg.
- Included in CPIP: Yes – 2023 CPIP Priority 1 of 1 in FY27 (estimated at \$14,020,000)
CHE Approval: 02/06/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

- Rationale: The building is currently leased by the university and houses programs that must occupy the building for the foreseeable future, per the university. The owner of the building has expressed interest in selling the building to the university, which would eliminate leasing the space. If acquired, there are no plans for construction or renovation of the property by the university at this time.
- Characteristics: The George Dean Johnson Building is approximately 59,000 gross square feet, was constructed in 2010 (14 years old), and is on +/- one acre which is on the corner of W. St. John St. and N. Liberty St. in downtown Spartanburg. The building predominantly houses the Business and Economics academic programs, which has over 500 students, faculty, and staff.
- Financial Impact: The property is being offered by CPF Properties II, LLC for \$12,250,000. The due diligence activities will be funded from Other, Institutional Funds (uncommitted balance \$15.16 million at December 31, 2023). Revenue to this fund is generated from a variety of sources including tuition and fees and sales and services activities. The project is expected to result in a decrease of \$500,000 (years 1 thru 3), in annual operating expenditures. No student fees or tuition will be increased because of the project. A portion of tuition is designated for capital improvements, currently \$85 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Full Project Estimate: \$12,270,000 (internal) funded by Institutional Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(g) Project: JBRC Item 5: Spartanburg Community College
H59.6304: Cherokee Campus Hamricks Land Acquisition

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-20.39 acres referred to as the Peachoid property in Cherokee County.

Included in CPIP: No – This property was not available at the time of the 2023 CPIP submission.
CHE Approval: 02/06/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, College Plant				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: Spartanburg Community College has its Cherokee County Campus in Gaffney, SC, within the boundaries of SC Hwy 11 and Peachoid Road. The property is just north of Peachoid Road on the far west end of the campus. The college desires to acquire the property to allow a future opportunity to expand the Cherokee Campus. Per the college, this vacant land, if acquired and developed by others, may not be as affordable to the state in the future.

Characteristics: The property is +/-20.39 acres and has no buildings located on the property. It is contiguous to the Spartanburg Community College Cherokee Campus and has good interstate visibility as well.

Financial Impact: The property is being offered by Hamricks, Inc. for \$1,376,000. The due diligence activities will be funded from Other, College Plant Funds (uncommitted balance \$3.22 million at February 5, 2024). Revenue to this fund derived from the excess of revenues over expenses accumulated over time for the purpose of funding capital projects and for meeting local matching requirements. The project is expected to result in an increase of \$3,200 (years 1 thru 3), in annual operating expenditures. No student fees or tuition will be increased because of the project. Currently, there is no portion of tuition designated for capital improvements.

Full Project Estimate: \$1,396,000 (internal) funded by College Plant Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(h) Project: JBRC Item 6: Spartanburg Community College
H59.6305: Cherokee Campus Smith Land Acquisition

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-1.67 acres and a 6,148 square foot building in Cherokee County.

Included in CPIP: Yes – 2023 CPIP Priority 1 of 4 in FY26 (this component estimated at \$1,161,000)

CHE Approval: 02/06/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, College Plant				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: Spartanburg Community College has its Cherokee County Campus in Gaffney, SC, within the boundaries of SC Hwy 11 and Peachoid Road. The property is just north of Peachoid Road to the south of the campus. The college desires to acquire the property to allow a future opportunity to expand the Cherokee Campus. Per the college, this land, if acquired and developed by others, may not be as affordable to the state in the future.

Characteristics: The property is +/-1.67 acres with a vacant 6,148 square foot building, formerly a Fatz Café. It is contiguous to the Spartanburg Community College Cherokee Campus and has good interstate visibility as well.

Financial Impact: The property is being offered by Gary and Margaret Smith for \$1,250,000. The due diligence activities will be funded from Other, College Plant Funds (uncommitted balance \$3.22 million at February 5, 2024). Revenue to this fund derived from the excess of revenues over expenses accumulated over time for the purpose of funding capital projects and for meeting local matching requirements. The project is expected to result in an increase of \$3,200 (years 1 thru 3), in annual operating expenditures. If acquired, the building on the property will be demolished. The estimated cost to complete the demolition will be \$70K and it will be funded using College Plant Funds. No student fees or tuition will be

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

increased because of the project. Currently, there is no portion of tuition designated for capital improvements.

Full Project Estimate: \$1,270,000 (internal). The Final Land Acquisition will be funded by Appropriated State (nonrecurring), or College Plant Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (i) Project: JBRC Item 8: Trident Technical College
H59.6224: Berkeley Campus Renovation - Transportation and Logistics Center
- Request: Establish Phase II Full Construction Budget to re-purpose the main building on the Berkeley campus into a high-tech training facility.
- Included in CPIP: Yes – 2022 CPIP Priority 1 of 9 in FY24 (estimated at \$34,133,144)
Phase I Approval: November 2022 (estimated at \$34,133,144) (SFAA)
CHE Approval: 02/01/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY22 Capital Reserve (24)				1,400,000	1,400,000
				16,306,515	16,306,515
FY22 Appropriated State, Proviso 118.19 (B) (27) (u)	511,997		511,997	4,488,003	5,000,000
FY22 Appropriated State, Proviso 118.18 (B) (27) (v)				6,000,000	6,000,000
Appropriated State, FY23 Proviso 118.19 (B) (27) (x)				8,826,629	8,826,629
Other, Local					
All Sources	<u>511,997</u>		<u>511,997</u>	<u>37,021,147</u>	<u>37,533,144</u>

Summary of Work: The project will renovate the entire 74,083 square foot building and add approximately 11,579 square foot of additional flex space. The renovations include an interior upfit for classroom and campus functions, new roof, mechanical, electrical, plumbing systems, and addition of a new fire protection

AGENCY: Department of Administration, Executive Budget Office

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system. Classroom and campus functions include general educational classrooms, a chemistry lab, high-bay vocational training classrooms, student commons, meeting and collaboration rooms, kitchen prep area, group restrooms, office and staff areas. New construction is limited to a new high-bay area for the Diesel Mechanics Program and a new flexible classroom and training space. The existing low slope ballasted roof system will be replaced with a low slope 60 mil PVC mechanically fastened roof system and will come with a minimum 20-year material and workmanship warranty.

Rationale: This economic development project addresses the challenge of providing transportation, distribution and logistics (supply chain) services to the region by accommodating the workforce needs of diverse employment sectors, per the college. This project will re-purpose the main building to serve the transportation and supply chain needs of existing and new industries within the logistics sector including transportation and air freight providers as well as warehouse and distribution centers. Additional high-bay training spaces and labs are required to help meet new industry demands and the growing manufacturing plants located nearby.

Facility Characteristics: The 74,083 square foot building was constructed in 1982 (42 years old). The existing roof was replaced in 2007 (17 years old) and is recommended for replacement. Some components of the HVAC equipment have been replaced over the years, but much of the current equipment is over 20 years old, beyond its useful life, and failing. Restrooms were renovated 8 years ago. The remaining components, including electrical and plumbing are original to the building. The building is utilizing by 3,000+ students, 35 faculty and staff, and hundreds of clients annually.

Financial Impact: This phase of the project will be funded from FY22 Capital Reserve (uncommitted balance \$1.4 million at December 31, 2023), FY22 Appropriated State (nonrecurring) (uncommitted balance \$16.30 million at December 31, 2023), FY22 Appropriated State (nonrecurring) (uncommitted balance \$4.48 million at December 31, 2023), FY23 Appropriated State (nonrecurring) (uncommitted balance \$6 million at December 31, 2023), and Other, College Funds (uncommitted balance \$9.47 million at December 31, 2023). The project is expected to result in an increase of \$26,113 (year 1), \$26,897 (year 2), and \$27,704 (year 3) in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$196 per student per semester, and has not increased from academic year 2019-2020. The renovations will be completed to

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

comply with Two Green Globe certification standards with anticipated energy savings of \$1,309,929 over a 30-year period.

Full Project Estimate: \$37,533,144 funded by FY22 Capital Reserve, FY22 Appropriated State (nonrecurring), FY23 Appropriated State (nonrecurring), and College Funds. Contract execution is expected in January 2025 and completion of construction in August 2026.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (j) Project: JBRC Item 9: Department of Administration
D50.6144: Otarre Parkway Densification and Build Out
- Request: Establish Phase I Pre-Design Budget to densify and build-out support areas.
- Included in CPIP: No – The need for the project was unknown at the time of the 2023 CPIP submission.
- CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve				82,000	82,000
All Sources				<u>82,000</u>	<u>82,000</u>

Summary of Work: The project will densify and build-out support areas.

Rationale: The project will accommodate moving the Departments of Public Health, Mental Health, Disabilities and Special Needs, and Alcohol and other Drug Abuse Services to 400 Otarre Parkway in Cayce.

Facility Characteristics: The 400 Otarre Parkway Building is 514,361 square feet and was constructed in 2010 (14 years old). The building will be occupied by the Departments of Public Health, Mental Health, Disabilities and Special Needs, and Alcohol and other Drug Abuse Services, which include approximately 1,760 staff and various annual visitors.

Financial Impact: This phase of the project will be funded from Other, Depreciation Reserve Funds (uncommitted balance \$7.70 million at December 20, 2023). Revenues received are derived from the rent account, which receives rent charged to agencies. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$5,486,750 (internal) funded by Depreciation Reserve Funds. This project is related to the moving of agencies off the Bull Street Corridor in response to Proviso 118.22 of the FY24 Appropriations Act. Due to time constraints, Admin is initially funding Phase 1 out of its Depreciation Reserve account to be

AGENCY: Department of Administration, Executive Budget Office

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reimbursed from funds being requested in the FY25 budget. A budget request has been submitted to fund that reimbursement as well as the construction from Appropriated State.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(k) Project: JBRC Item 12: Department of Administration
D50.6147: Wade Hampton Building - Subsurface Water Remediation Repairs
(Annualized)

Request: Establish Phase I Pre-Design Budget for the repair/replacement of the exterior
waterproofing.

Included in CPIP: No – The project and funding were not identified until after submission of the
2023 CPIP.

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State				37,000	37,000
All Sources				<u>37,000</u>	<u>37,000</u>

Summary of Work: This will be an annualized project and will be completed in two (2) annualized phases, to repair or replace the exterior waterproofing of the building basement and the underground pedestrian tunnel. The Phase I will complete all engineering and geo-technical work associated with both annualized phases of the project. Construction of the first annualized phase will address the pedestrian tunnel.

Rationale: The exterior subsurface waterproofing material for the building and pedestrian tunnel, has deteriorated, leading to water infiltration in the basement and the pedestrian tunnel. Both areas experience water infiltration in office spaces and common areas after rainfall events.

Facility Characteristics: The Wade Hampton Building is approximately 121,141 square feet and was constructed in 1938 (85 years old). The pedestrian tunnel is approximately 12,240 square feet and was constructed in 1970 (54 years old). The pedestrian tunnel is utilized by the Calhoun and Wade Hampton Buildings. The Calhoun Building is utilized by approximately 190 Judicial Branch personnel and the Wade Hampton Building is utilized by approximately 275 staff and various annual visitors of the Department of Administration, SC Commission on Prosecution, Judicial Branch, SC Commission for the Blind, Governor's Office, SC State Treasurer's Office,

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SC Comptroller General Office, SC Adjutant General's Office, and SC Department of Agriculture, and the State Fiscal Accountability Authority. The building is utilized by approximately 275 staff and various visitors daily.

Financial Impact: This phase of the project will be funded from FY24 Appropriated State Funds (uncommitted balance \$10 million at January 4, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,819,620 (internal) for this phase of the project funded by FY24 Appropriated State Funds. The estimated cost to complete both annualized phases is \$4,937,050, to be funded by Appropriated State and Depreciation Reserve Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(I) Project: JBRC Item 13: Department of Administration
D50.6148: Window Replacement

Request: Establish Phase I Pre-Design Budget to replace the windows at the SC State Library.

Included in CPIP: Yes – 2023 CPIP Priority 12 of 38 in FY24 (estimated at \$1,000,000)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State				25,000	25,000
All Sources				<u>25,000</u>	<u>25,000</u>

Summary of Work: This project will replace the windows.

Rationale: The windows are original to the buildings, past their useful life, and leaking in multiple areas.

Facility Characteristics: The SC State Library Building is approximately 62,260 square feet and was constructed in 1969 (55 years old). The State Library Building is utilized by approximately 45 staff and various annual visitors.

Financial Impact: The project will be funded from FY24 Appropriated State Funds (uncommitted balance \$10 million at January 4, 2024). The project is expected to result in additional annual operating cost savings, but the amount has not yet been determined.

Full Project Estimate: \$1,000,000 (internal) funded by FY24 Appropriated State Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(m)Project: JBRC Item 15: Department of Administration
D50.6123: FM Energy Facility – Replace Boiler #2

Request: Establish Phase II Full Construction Budget to replace boiler #2, located at 1121 College Street in Columbia.

Included in CPIP: Yes – 2023 CPIP Priority 2 of 38 in FY24 (estimated at \$638,781)

Phase I Approval: October 2023 (estimated at \$638,781) (JBRC)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State	14,852		14,852	1,087,370	1,102,222
All Sources	<u>14,852</u>		<u>14,852</u>	<u>1,087,370</u>	<u>1,102,222</u>

Summary of Work: The project will replace the boiler and associated piping, controls and electrical.

Rationale: The boiler has exceeded its life expectancy and parts for repairs and maintenance are difficult to source. If the boiler were to fail, only one boiler would remain to provide heating to the entire Capitol Complex.

Facility Characteristics: The FM Energy Facility is 18,572 gross square feet and serves approximately 1,124,751 gross square feet of buildings, which include the FM Energy Facility, SC State House, Gressette Building, Dennis Building, Blatt Building, Brown Building, Calhoun Building, Wade Hampton Building, SC Supreme Court Building, and the Sumter Street Building. The existing boiler being replaced was installed in 1964 (60 years old). Approximately 2,660 staff and various visitors utilize the Capital Complex.

Financial Impact: The project will be funded from FY24 Appropriated State Funds (uncommitted balance \$10 million on January 4, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,102,222 funded by FY24 Appropriated State Funds. Contract execution is expected in September 2024 and completion of construction in August 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(n) Project: JBRC Item 19: Department of Administration
D50.6133: Dennis Building – Replace 2 Rooftop Air Handlers

Request: Establish Phase II Full Construction Budget to replace two rooftop air handling units.

Included in CPIP: Yes – 2023 CPIP Priority 20 of 38 in FY24 (estimated at \$1,600,000)
Phase I Approval: December 2023 (estimated at \$1,600,000) (SFAA)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	24,000		24,000	1,741,534	1,765,534
All Sources	<u>24,000</u>		<u>24,000</u>	<u>1,741,534</u>	<u>1,765,534</u>

Summary of Work: The project will replace two rooftop air handling units for the Dennis Building.

Rationale: The air handling units are approximately 45 years old, have exceeded their life expectancy, require frequent repairs, and maintenance parts are difficult to source. Failure of the air handlers would result in a loss of conditioned air to the building.

Facility Characteristics: The Dennis Building is approximately 247,573 gross square feet and was constructed in 1950 (74 years old). The rooftop air handlers were installed in 1978 (46 years old). The building is utilized by Attorney General, Commission for the Blind, Department of Natural Resources, Department of Revenue and Fiscal Affairs, and Legislative Council. The building is utilized by 750 employees and visitors daily.

Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance \$7.70 million on December 20, 2023). Revenues received are derived from the rent account, which receives rent charged to agencies. The project is expected to result in a decrease of \$3,719 (years 1 thru 3), in annual operating expenditures.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Full Project Estimate: \$1,765,534 funded by Depreciation Reserve Funds. Contract execution is expected in September 2024 and completion of construction in June 2026.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(o) Project: JBRC Item 23: Vocational Rehabilitation Department
H73.9626: Rock Hill VR Center Reroofing

Request: Establish Phase II Full Construction Budget to remove and replace the roof on the building.

Included in CPIP: Yes – 2023 CPIP Priority 2 of 3 in FY24 (estimated at \$604,000)

Phase I Approval: September 2023 (estimated at \$604,000) (Admin)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY23 Appropriated State, Proviso 118.19 (B)(32)(e)	15,000		15,000	589,000	604,000
				101,800	101,800
Other, FY17 Capital Reserve (43) (FY24 Proviso 32.5)				106,800	106,800
Other, FY17 Capital Reserve (44) (FY24 Proviso 32.5)				211,509	211,509
Other, FY20 Appropriated State, Proviso 118.16 (B)(46) (FY24 Proviso 32.5)					
All Sources	<u>15,000</u>		<u>15,000</u>	<u>1,009,109</u>	<u>1,024,109</u>

Summary of Work: The project will remove and replace the 4-ply built-up gravel roofing system with a new two-ply smooth granular surfaced modified bitumen roofing system, to include associated flashings and metal work. The new roof will come with the required minimum 20-year material and workmanship warranty.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Rationale: The existing roof is a 10-year roof system and is past its life expectancy. Numerous leaks have been repaired to the roof; however, the size of the leaks and frequency of the leaks are increasing.

Facility Characteristics: The Rock Hill Vocational Rehabilitation (VR) Center is 26,700 square feet and was constructed in 1989 (35 years old). The existing roof is original to the building. This VR center provides services to individuals with a wide range of disabilities. The facility is utilized by 25 staff and 20 to 30 consumers daily.

Financial Impact: This phase of the project will be funded from FY23 Appropriated State (non-recurring) Funds (uncommitted balance \$589K at January 16, 2024), Other, FY17 Capital Reserve (related to Proviso 32.5) (uncommitted balance \$209K at January 16, 2024), Other, FY20 Appropriated State (nonrecurring) (related to Proviso 32.5) (uncommitted balance \$212K at January 16, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,024,109 funded by FY17 Capital Reserve, FY20 Appropriated State (nonrecurring), and FY23 Appropriated State (nonrecurring) Funds. Contract execution is expected in April 2024 and completion of construction in October 2024.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (p) Project: JBRC Item 28: Department of Mental Health
J12.9807: Coastal Empire Community MHC HVAC, Sprinkler System, and Fire Alarm Replacement
- Request: Increase Phase II Full Construction Budget to cover higher than anticipated bid costs to replace HVAC, sprinkler system and fire alarm system at the Coastal Empire Mental Health Center in Beaufort.
- Included in CPIP: No – The need for the increase was unknown at the time of the 2023 CPIP submission.
- Phase I Approval: December 2021 (estimated at \$1,600,000) (SFAA)
- Phase II Approval: November 2022 (estimated at \$1,600,000) (SFAA)
- CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	24,000	1,576,000	1,600,000	485,612	2,085,612
All Sources	<u>24,000</u>	<u>1,576,000</u>	<u>1,600,000</u>	<u>485,612</u>	<u>2,085,612</u>

Summary of Work: The mental health center is conditioned by 15 split system heat pumps consisting of outdoor condensing units and indoor air handling units. The indoor units in the attic will also be replaced, and includes all ducting, dampers, refrigerant lines, and reconfiguring the mountings to allow proper maintenance access. The fire alarm system will be upgraded, and the fire sprinkler system will be replaced.

Rationale: The HVAC system is well past its useful life. The existing fire sprinkler system has experienced multiple leaks over the last several years. The fire alarm system needs to be upgraded due to age and parts availability.

Facility Characteristics: The Coastal Empire Mental Health Center is 16,766 square feet and was constructed in 1995 (29 years old). All the building components are original to the building. The facility has 45 staff and serves 26 patients per day and provides an average of 83 services per day during normal business hours.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$18.96 million at February 9, 2024). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in a decrease of \$1,500 (year 1), and \$2,500 (years 2 and 3) in annual operating expenses.

Full Project Estimate: \$2,085,612 funded by Capital Improvement & Maintenance Funds. Contract execution is expected in March 2024 and completion of construction in February 2025.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(q) Project: JBRC Item 32: Department of Corrections
N04.9797: AE Design Container Farm Vertical Roots - Camille

Request: Establish Phase II Full Construction Budget to purchase and install portable structures.

Included in CPIP: Yes – 2023 CPIP Priority 12 of 14 in FY24 (estimated at \$350,000)
Phase I Approval: October 2023 (estimated at \$1,200,000) (SFAA)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating	18,000		18,000		18,000
Other, Canteen Revenue				416,316	416,316
Other, Equipment Donation				850,000	850,000
All Sources	<u>18,000</u>		<u>18,000</u>	<u>1,266,316</u>	<u>1,284,316</u>

Summary of Work: The project will purchase and install six (6) portable structures. These structures will be utilized under the supervision of the Agriculture Division of Operations to produce fresh leaf greens.

Rationale: The fresh leaf greens produced will offset the food cost to the agency.

Facility Characteristics: The six (6) portable structures will total 2,688 square feet and will be located at Camille Correctional Institution. SCDC feeds 16,000 inmates daily, procuring its leafy green vegetables from an outside vendor. The Agriculture Division of Operations

Financial Impact: This phase of the project will be funded from Other, Canteen Revenue (uncommitted balance \$5.10 million at January 10, 2024), and Other, Holland Family Charitable Fund of Coastal Community Foundation Donation (donation of

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

\$850K in equipment). The project is expected to result in an increase of \$3,000 (year 1), and \$8,500 (years 2 thru 3), in annual operating expenditures.

Full Project Estimate: \$1,284,316 funded by Appropriated State, Operating, Canteen Revenue and Equipment Donation. Contract execution is expected in May 2024 and completion of construction in October 2024.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(r) Project: JBRC Item 34: Department of Juvenile Justice
N12.9627: Parking Expansion for Security Needs

Request: Increase Phase II Full Construction Budget to cover the cost to remove and replace the bad fill of the existing parking lot in the project to construct a new asphalt parking lot at the Broad River Road Campus.

Included in CPIP: No – The need for the increase was unknown at the time of the 2023 CPIP submission.

Phase I Approval: February 2023 (estimated at \$605,000) (JBRC)

Phase II Approval: May 2023 (estimated at \$700,000) (Admin)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Carryforward	29,370	670,630	700,000		700,000
Appropriated State, FY23 Carryforward		250,000			250,000
Appropriated State, FY24 Operating (FY24 Proviso 67.15)				150,000	150,000
All Sources	<u>29,370</u>	<u>920,630</u>	<u>950,000</u>	<u>150,000</u>	<u>1,100,000</u>

Summary of Work: The project will construct a new asphalt parking lot to include the existing parking lot and expansion towards Broad River Road. An area across the entrance road from the existing parking will also be considered as an area for expansion of the parking lot. This increase will allow for the removal and replacement of the bad fill with a suitable material.

Rationale: During proof rolling in anticipation of laying the base for the asphalt, it was discovered that the fill under the current parking lot is not sufficient and must be replaced to ensure that the asphalt will be durable and not develop potholes and other defects. This project is an agency priority as it will allow staff to park

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

outside the security fence, which will increase security and decrease liability. Additionally, due to the planned increase of administrative and non-direct care staff, more vehicles are projected to use the existing parking spaces, which will require an increased capacity for personal and state vehicles.

Facility Characteristics: The new parking lot will accommodate approximately 300 vehicles located in front of the Community Connections Center (CCC) building. Approximately 300 staff and 50 visitors will utilize the new parking area on a daily basis.

Financial Impact: This phase of the project will be funded from Appropriated State, FY24 Operating Funds (uncommitted balance \$69.88 million at February 26, 2024). Proviso 67.15 allows the South Carolina Department of Juvenile Justice (DJJ) the flexibility to use the agency's cash and carry forward balances for operating and/or capital needs in specific categories outlined in the Proviso. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,100,000 funded by Appropriated State, FY22 & FY23 Carryforward, and FY24 Operating Funds. Construction completion is anticipated in 2024.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(s) Project: JBRC Item 38: Department of Parks, Recreation & Tourism
P28.9840: Property Acquisition - Black River Browns Ferry

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-355 acres in Georgetown County.

Included in CPIP: Yes – 2023 CPIP Priority 24 of 29 in FY24 (this component estimated at \$1,220,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(38)(a)				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: If acquired, the property will provide residents and visitors a wilderness-quality experience along a coastal-plan river. The agency's presence in the region will help spur visitation and tourism, per the agency. The property is an important tract to connect and provide access to residents.

Characteristics: The property to be acquired is +/- 355 acres along the Black River and is near the town of Andrews. The land is part of a larger green way that will require additional acquisition.

Financial Impact: The property is owned by Evergreen Timber Co, SC, LLC and will be acquired by Open Space Institute Land Trust, Inc. in the next six months for the proposed purchase price of \$1,200,000. The due diligence activities will be funded from FY24 Appropriated State (nonrecurring) Funds (uncommitted balance \$1.5 million at January 12, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,220,000 (internal) funded by FY24 Appropriated State (non-recurring) Funds. The acquisition will be funded by \$300K in Federal, Land and Water

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Conservation Grant Funds, and a SC Conservation Bank Grant that the agency will be applying for.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(t) Project: JBRC Item 40: Department of Parks, Recreation & Tourism
P28.9842: Property Acquisition - Black River Mingo Creek

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-675 acres in Georgetown County.

Included in CPIP: Yes – 2023 CPIP Priority 24 of 29 in FY24 (this component estimated at \$1,620,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(38)(a)				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: If acquired, the property will provide residents and visitors a wilderness-quality experience along a coastal-plan river. The agency's presence in the region will help spur visitation and tourism, per the agency. The property is an important tract to connect the Black River and Mingo Creek and provide access to residents.

Characteristics: The property to be acquired is +/-675 acres along the Black River and is near the town of Andrews.

Financial Impact: The property is owned by Evergreen Timber Co, SC, LLC and will be acquired by Open Space Institute Land Trust, Inc. in the next six months for the proposed purchase price of \$1,600,000. The due diligence activities will be funded from FY24 Appropriated State (nonrecurring) Funds (uncommitted balance \$1.5 million at January 12, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,620,000 (internal) funded by FY24 Appropriated State (non-recurring) Funds. The acquisition will be funded by \$600K in Federal, National Oceanic and

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Atmospheric Administrative Grant Funds, and a SC Conservation Bank Grant that the agency will be applying for.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(u) Project: JBRC Item 41: Department of Parks, Recreation & Tourism
P28.9843: Property Acquisition – Kings Mountain 48 Acre Metker

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-48 acres in York County.

Included in CPIP: Yes – 2023 CPIP Priority 24 of 29 in FY24 (this component estimated at \$1,730,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(38)(a)				30,000	30,000
All Sources				<u>30,000</u>	<u>30,000</u>

Rationale: If acquired, the acquisition will provide long term protection to the property, which is located in Kings Mountain State Park. Acquiring this tract will protect this land in the center of the park from development, and potentially create a potential revenue source with rental of the shelter for events.

Characteristics: The property to be acquired is +/-48 acres in the center of the park, and includes a pond, shelter, and two log cabins.

Financial Impact: The property is offered by Open Space Institute Land Trust, Inc. for the proposed purchase price of \$1,700,000. The due diligence activities will be funded from FY24 Appropriated State (nonrecurring) Funds (uncommitted balance \$1.5 million at January 12, 2024). The project is not expected to result in any change in annual operating expenditures. The additional \$10K included in this request will be used to cover survey to show the improvements made to the property by the current owner.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

Full Project Estimate: \$1,730,000 (internal) funded by FY24 Appropriated State (non-recurring) Funds.
The acquisition will be funded by \$1,200,000 million in SC Conservation Bank Grant, and \$500,000 in FY24 Appropriated State (nonrecurring) Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(v) Project: JBRC Item 42: Department of Parks, Recreation & Tourism
P28.9844: Property Acquisition - Waite Merrill

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-107 acres in Horry County.

Included in CPIP: Yes – 2023 CPIP Priority 24 of 29 in FY24 (this component estimated at \$4,020,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(38)(a)				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: If acquired, the acquisition will provide long term protection to the property. Waite Island is the most significant undeveloped coastal fringe habitat in the 22 miles from Myrtle Beach to the North Carolina border. It is one of the last remaining undeveloped and unprotected barrier islands of this size in the southeastern United States.

Characteristics: The property to be acquired is +/-107 acres that includes mainland property, beachfront, marsh, with a residence and guest house on Little River Neck.

Financial Impact: The property is offered by Open Space Institute Land Trust, Inc. for the proposed purchase price of \$4,000,000. The due diligence activities will be funded from FY24 Appropriated State (nonrecurring) Funds (uncommitted balance \$1.5 million at January 12, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$4,020,000 (internal) funded by FY24 Appropriated State (non-recurring) Funds. The acquisition is anticipated to be funded by a CZM Habitat Protection and Restoration Bipartisan Infrastructure Law Competition Grant.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(w)Project: JBRC Item 43: Department of Parks, Recreation & Tourism
P28.9845: Tyger Oak Property

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-945 acres in Spartanburg County.

Included in CPIP: Yes – 2023 CPIP Priority 24 of 29 in FY24 (this component estimated at \$23,010,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(38)(a)				10,000	10,000
All Sources				<u>10,000</u>	<u>10,000</u>

Rationale: The Department of Parks, Recreation and Tourism, in partnership with the SC Conservation Bank and the SC Office of Resilience are requesting to establish this project to acquire property that will be the future Central Park of Spartanburg. Acquisition of this property will also protect 1.2 miles of river frontage on Lawsons Fork Creek, adjoin previously protected property, and preserve the industrial history of the area.

Characteristics: The property to be acquired is +/-945 contiguous acres withing 5 miles of downtown Spartanburg, with 1.2 miles of river frontage on Lawsons Fork Creek. This property will connect existing protected property to create a contiguous 1,161-acre conservation corridor. The property includes 2 small (roughly 10x10), dilapidated pump houses used by Spartanburg Public Works before being decommissioned.

Financial Impact: Spartanburg Area Conservancy (SPACE), as a cooperative partner of the state, is under contract to purchase this tract for \$25,000,000. After acquisition, SPACE will offer the property to the Department of Parks, Recreation and Tourism for \$23,000,000. The due diligence activities will be funded from FY24 Appropriated

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

State (nonrecurring) Funds (uncommitted balance \$1.5 million at January 12, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$23,010,000 (internal) funded by FY24 Appropriated State (non-recurring) Funds. The acquisition will be funded by \$20,000,000 in SC Office of Resilience, and \$3,000,000 in SC Conservation Bank Funds (pending approval from Bank Board).

Other: Upon the Department of Parks, Recreation and Tourism's acquisition of the property, a lease agreement with Spartanburg County will be executed for the long-term management of the green space passive park. SPACE will also place a mutually agreed upon conservation easement at the time of the acquisition.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

(x) Project: JBRC Separate Item: Department of Commerce
P32.9537: Project Agave – ED Bonds

Request: Establish Phase II Full Construction Budget for an economic development project that will utilize economic development bond proceeds.

Included in CPIP: No
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Economic Development Bonds				110,000,000	110,000,000
All Sources				<u>110,000,000</u>	<u>110,000,000</u>

Summary of Work: The project will construct a warehouse building owned by Florence County. The work includes grading and site preparation, waterworks improvements, internal and external road improvements, and training facilities.

Rationale: This is a significant economic development project that consists of job creation and investment in the state by a manufacturer of electric batteries for the automotive industry.

Facility Characteristics: The project will construct an electric vehicle battery manufacturing facility, known as Project Agave in Florence County. The new facility will create 400 new jobs.

Financial Impact: The project will be funded from Other, Economic Development Bonds (\$110,000,000 to be issued).

Full Project Estimate: \$110,000,000 funded from Economic Development Funds.

AGENCY: Department of Administration, Executive Budget Office

SUBJECT: Permanent Improvement Projects

AUTHORITY ACTION REQUESTED:

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

ATTACHMENTS:

Agenda item worksheet and attachments

Project List: SFAA Items - March 26, 2024

SFAA Items - March 26, 2024

SFAA Item	JBRC Item2	Agency Code	Agency Name	Project ID	Project Name	Final Approval Type Needed	Action Proposed	Included in CIP?	Current Budget	Requested Change	Phase I	Total Phase II Budget	SOF (excludes proposed Phase II if currently seeking Phase I)
(a)	1	H15	College of Charleston	9679	58 George Street Renovation	SFAA	Establish Phase II	Yes	143,750	5,606,250	143,750	5,750,000	Other - Capital Improvement Project / Other - Donation
(b)	2	H21	Lander University	9565	Student Dining Hall Renovation	SFAA	Establish Phase II	No	37,500	3,062,500	37,500	3,100,000	Other - Aramark Contract Requirement
(c)	Sep.	H24	South Carolina State University	9663	Supplemental Housing - Modular Lease	SFAA	Establish Phase I	No	-	53,220	53,220	3,548,000	Other - Student Housing Improvement
(d)	3	H27	University of South Carolina - Columbia	6157	Booker T. Washington Renovation	SFAA	Establish Phase I	No	-	90,000	90,000	6,000,000	Federal - National Park Service
(e)	Sep.	H27	University of South Carolina - Columbia	6139	New Health Sciences Campus – Medical Education and Research Facilities	SFAA	Establish Phase II	Yes	4,200,000	295,800,000	4,200,000	300,000,000	Institution Bonds / FY19, FY20, FY22 & FY23 Capital Reserve / FY22 Appropriated State, Proviso 118.18 (B)(17)(a) / FY24-FY28 Appropriated State - Operating
(f)	4	H34	University of South Carolina - Upstate	9557	George Dean Johnson Building Acquisition	SFAA	Preliminary Land Acquisition	Yes	-	20,000	20,000	12,270,000	Other - Institutional
(g)	5	H59	Spartanburg Community College	6304	Cherokee Campus Hamricks Land Acquisition	SFAA	Preliminary Land Acquisition	No	-	20,000	20,000	1,396,000	Other - College Plant
(h)	6	H59	Spartanburg Community College	6305	Cherokee Campus Smith Land Acquisition	SFAA	Preliminary Land Acquisition	Yes	-	20,000	20,000	1,270,000	Other - College Plant
(i)	8	H59	Trident Technical College	6224	Berkeley Campus Renovation - Transportation and Logistics Center	SFAA	Preliminary Land Acquisition	Yes	511,997	37,021,147	511,997	37,533,144	Other - College Plant
(j)	9	D50	Department of Administration	6144	Otarre Parkway Densification and Build Out	SFAA	Establish Phase I	No	-	82,000	82,000	5,486,750	Other - Depreciation Reserve
(k)	12	D50	Department of Administration	6147	Wade Hampton Building - Subsurface Water Remediation Repairs (Annualized)	SFAA	Establish Phase I	No	-	37,000	37,000	1,819,620	Appropriated State
(l)	13	D50	Department of Administration	6148	Window Replacement	SFAA	Establish Phase I	Yes	-	25,000	25,000	1,000,000	Appropriated State
(m)	15	D50	Department of Administration	6123	FM Energy Facility – Replace Boiler #2	SFAA	Establish Phase II	Yes	14,852	1,087,370	14,852	1,102,222	Appropriated State
(n)	19	D50	Department of Administration	6133	Dennis Building – Replace 2 Rooftop Air Handlers	SFAA	Establish Phase II	Yes	24,000	1,741,534	24,000	1,765,534	Other - Depreciation Reserve
(o)	23	H73	Vocational Rehabilitation Department	9626	Rock Hill VR Center Reroofing	SFAA	Establish Phase II	Yes	15,000	1,009,109	15,000	1,024,109	FY23 Appropriated State - Proviso 118.19 (B)(32)(e) / Other - FY17 Capital Reserve (43 & 44) (Proviso 32.5) / Other - FY20 Appropriated State - Proviso 118.16 (B)(46) (Proviso 32.5)
(p)	28	J12	Department of Mental Health	9807	Coastal Empire Community MHC HVAC, Sprinkler System, and Fire Alarm Replacement	SFAA	Phase II Increase	No	1,600,000	485,612	24,000	2,085,612	Other - Capital Improvement & Maintenance
(q)	32	N04	Department of Corrections	9797	AE Design Container Farm Vertical Roots - Camille	SFAA	Establish Phase II	Yes	18,000	1,266,316	18,000	1,284,316	Appropriated State - Operating / Other - Canteen Revenue / Other - Donation
(r)	34	N12	Department of Juvenile Justice	9627	Parking Expansion for Security Needs	SFAA	Phase II Increase	No	950,000	150,000	29,370	1,100,000	Appropriated State - FY22 & FY23 Carryforward / Appropriated State - FY24 Operating (Proviso 67.15)
(s)	38	P28	Department of Parks, Recreation & Tourism	9840	Property Acquisition - Black River Browns Ferry	SFAA	Preliminary Land Acquisition	Yes	-	20,000	20,000	1,220,000	FY24 Appropriated State - Proviso 118.19 (B)(38)(a)
(t)	40	P28	Department of Parks, Recreation & Tourism	9842	Property Acquisition – Black River Mingo Creek	SFAA	Preliminary Land Acquisition	Yes	-	20,000	20,000	1,620,000	FY24 Appropriated State - Proviso 118.19 (B)(38)(a)
(u)	41	P28	Department of Parks, Recreation & Tourism	9843	Property Acquisition – Kings Mountain 48 Acre Metker	SFAA	Preliminary Land Acquisition	Yes	-	30,000	30,000	1,730,000	FY24 Appropriated State - Proviso 118.19 (B)(38)(a)
(v)	42	P28	Department of Parks, Recreation & Tourism	9844	Property Acquisition – Waites Merrill	SFAA	Preliminary Land Acquisition	Yes	-	20,000	20,000	4,020,000	FY24 Appropriated State - Proviso 118.19 (B)(38)(a)
(w)	43	P28	Department of Parks, Recreation & Tourism	9845	Tyger Oak Property	SFAA	Preliminary Land Acquisition	Yes	-	10,000	10,000	23,010,000	FY24 Appropriated State - Proviso 118.19 (B)(38)(a)
(x)	Sep.	P32	Department of Commerce	9537	Project Agave - Economic Development Bonds	SFAA	Establish Phase II	No	-	110,000,000	-	110,000,000	Other - Economic Development Bonds

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

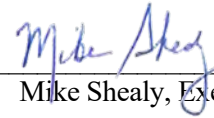
Meeting Scheduled for: March 26, 2024

Regular Agenda

1. Submitted By:

(a) Agency: Department of Administration

(b) Authorized Official Signature:


Mike Shealy, Executive Budget Office

2. Permanent Improvement Projects

3. Summary Background Information:

- (a) Project: JBRC Item 1: College of Charleston
H15.9679: 58 George Street Renovation
- Request: Establish Phase II Full Construction Budget to complete repairs and construct a small addition to the Barnard Elliot House in Charleston.
- Included in CPIP: Yes – 2023 CPIP Priority 2 of 10 in FY24 (estimated at \$5,750,000)
- CHE Approval: 02/01/24
- Phase I Approval: December 2022 (estimated at \$5,750,000) (SFAA)

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement Project	143,750		143,750	4,979,155	5,122,905
Other, Donation				627,095	627,095
All Sources	<u>143,750</u>		<u>143,750</u>	<u>5,606,250</u>	<u>5,750,000</u>

Summary of Work: The project will include full interior and exterior renovations, structural repairs, roof replacement, infrastructure modernization, demolition of two small building additions, and construction of a 2,462 square foot modern building addition. The renovated original structure will contain offices, communal space, and meeting/seminar rooms for students and staff. The building addition will integrate modern infrastructure including a passenger elevator, ADA compliant restrooms, infrastructure support spaces, code compliant circulation, flexible event space, interview rooms, offices, and a conference room. The existing terne coated metal roof will be replaced with a metal roof and will come with a 50-year material and workmanship warranty.

Rationale: 58 George Street has significant structural issues with temporary indoor shoring to support the center of the building. The building was taken offline in 2015 due to structural instability and remains vacant. In order for the building to be re-occupied, repairs need to be made. This building is historically protected and cannot be demolished.

Facility Characteristics: The Barnard Elliot House at 58 George Street is a four-level, 6,327 gross square foot building, and the original historic 3,902 gross square foot building was constructed in 1803 (221 years old). Subsequent to the original construction, two small building additions totaling 2,425 square feet were added and will now be demolished. A new 2,462 gross square foot building addition will be added. No significant improvements have been made to the building in 37+ years. After renovations are complete the building will provide a new centrally located home for the student Edward J. Tuccio '91 Student Success Center and Center for Civic Engagement. The Student Success Center will consolidate resources

to improve student retention, persistence and completion. The project will benefit 10,677 students, 847 faculty, 865 staff, clients, visitors, parents and potential students.

Financial Impact: This phase of the project will be funded from Other, Capital Improvement Project (uncommitted balance \$26.25 million at December 8, 2023), and Other, Donation Funds (uncommitted balance \$627K at December 8, 2023). Revenue to the Capital Improvement Project fund is generated by the Capital Improvement Fee that exceed current annual debt service related to bonds. The project is expected to result in a decrease of \$2,000 (year 1), \$2,060 (year 2), and \$2,122 (year 3), in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024. \$622 of the \$906 is currently pledged for debt service. The balance of the fee, \$284 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$5,750,000 funded by Capital Improvement Project, and Donation Funds. Contract execution is expected in September 2024 and completion of construction in December 2025.

(b) Project: JBRC Item 2: Lander University
H21.9565: Student Dining Hall Renovation

Request: Establish Phase II Full Construction Budget to renovate the dining hall in the Grier Student Center.

Included in CPIP: No – The project was not included in the 2023 CPIP submission due to an oversight by the university, as well as the project was estimated to cost less than \$2,000,000.

Phase I Approval: December 2023 (estimated at \$2,500,000) (SFAA)

CHE Approval: 02/01/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Aramark Contract Requirement	37,500		37,500	3,062,500	3,100,000
All Sources	<u>37,500</u>		<u>37,500</u>	<u>3,062,500</u>	<u>3,100,000</u>

Summary of Work: This project will remove the existing food preparation and serving venues, and replace with upgraded, versatile venues where the equipment and appliances allow the preparation of a wide variety of menu items. Upgrades to the dining hall aesthetics such as ceiling, lighting, flooring, and furnishings, are also included. Utility infrastructure will be updated to support the re-design.

Rationale: The university entered into a contract with Aramark in August 2023. As part of the required deliverables, the vendor agreed to invest in infrastructure updates.

Facility Characteristics: Grier Student Center is a 3-story, 61,000 square foot building constructed in 1978 (46 years old). The student dining hall is on the bottom floor of the building and is 19,300 square feet. Due to continued increases in enrollment, the dining hall footprint was expanded and renovated in 2007. Approximately 3,600 students and 180 faculty, staff, visitor, and guests, utilize the dining hall each day.

Financial Impact: The project will be funded from an Aramark Contractual Requirement (uncommitted balance \$3.5 million at January 29, 2024). The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. Currently, no portion of tuition is designated for capital improvements.

Full Project Estimate: \$3,100,000 funded by Aramark Contract Requirement Funds. Contract execution is expected in May 2024 and completion of construction in October 2024.

(c) Project: JBRC Separate Item: South Carolina State University
H24.9663: Supplemental Housing – Modular Lease

Request: Establish Phase I Pre-Design Budget to lease modular units to serve as housing.

Included in CPIP: No – The project was not included in the 2023 CPIP submission because the need for the modular units was not confirmed at that time.

CHE Approval: 12/07/2023

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Student Housing Improvement				53,220	53,220
All Sources				<u>53,220</u>	<u>53,220</u>

Summary of Work: This project will provide a single configured modular units with a capacity of 150 beds for auxiliary student housing. The university has stated that the units will meet all code requirements of the IBC and the state of South Carolina as it pertains to construction and life safety, and they have confirmed that the university will comply with the SC Consolidated Procurement Code.

Rationale: Due to recent influxes in student enrollment the university is hard-pressed to discover innovate strategies for student accommodations and is seeking to lease modular units to off-set current capacity limitations.

Facility Characteristics: The total square footage for the modular units will be +/-22,000 square feet and will provide a living and learning environment to approximately 150 students.

Financial Impact: The project will be funded from Student Housing Improvement Funds (uncommitted balance \$4.82 million at November 30, 2023). Revenues to this account are generated from standard room and board charges, which are determined and approved by the Board of Trustees and are used to cover costs of maintaining the facilities. The current amount per student, per semesters is \$1,001. The project is expected to result in an increase of \$156,000 (years 1 thru 3), in annual operating expenditures. No student fees or tuition will be increased because of the project.

Full Project Estimate: \$3,548,000 (internal) funded by Student Housing Improvement Funds.

(d) Project: JBRC Item 3: University of South Carolina - Columbia
H27.6157: Booker T. Washington Renovation

Request: Establish Phase I Pre-Design Budget to renovate the historic building.

Included in CPIP: No – The federal funding for this project was not received until after the 2023 CPIP submission.

CHE Approval: 03/07/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Park Service				90,000	90,000
All Sources				<u>90,000</u>	<u>90,000</u>

Summary of Work: The project will replace the roof, replace aged mechanical and electrical systems, improve restrooms to comply with ADA guidelines, and renovate and re-purpose portions of the building for functional and aesthetic purposes. All roofing material options will be evaluated during the Phase I process. The building will be designed to meet either LEED Silver or Two Green Globes certification standards.

Rationale: The building has areas with original infrastructure and original and/or aged finishes that require replacement and modernization.

Facility Characteristics: The Booker T. Washington Building is 36,328 gross square feet and was constructed in 1955 (69 years old). The entire building will be renovated in the project. The building is occupied by academic programs, support services, and the local community. Approximately 2,000 students, faculty, staff and local community will use the facility daily.

Financial Impact: This project will be funded from Federal, National Park Service Grant Funds (reimbursable grant uncommitted balance \$6 million at February 2, 2024). Revenue received is to fund physical preservation of historic sites to include districts, buildings, sites, structures, and objects. The project is expected to result in a decrease of \$28,000 (years 1 thru 3), in annual operating expenditures. No student fees or tuition will be increased because of the project. A portion of tuition is designated for capital improvements, currently \$40 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$6,000,000 funded by National Park Service Grant Funds.

(e) Project: JBRC Separate Item: University of South Carolina - Columbia
H27.6139: New Health Sciences Campus – Medical Education and Research Facilities

Request: Establish Phase II Full Construction Budget to construct a new University of South Carolina School of Medicine facility to replace current leased space in the Wm. Jennings Bryan Dorn Veterans Affairs Medical Center campus in Columbia.

Included in CPIP: Yes – 2023 CPIP Priority 1 of 16 in FY24 (estimated at \$300,000,000)

Phase I Approval: July 2021 (estimated at \$300,000,000) (SFAA)

CHE Approval: 03/07/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Institution Bonds				100,000,000	100,000,000
FY19 Capital Reserve (18)				5,000,000	5,000,000
FY20 Capital Reserve (13)				15,000,000	15,000,000
FY22 Capital Reserve (10)				25,000,000	25,000,000
FY23 Capital Reserve (9)				25,000,000	25,000,000
Appropriated State, FY22 Proviso 118.18 (B) (17) (a)				10,000,000	10,000,000
Appropriated State, FY24 USC Medical School				5,000,000	5,000,000
Other, Institutional	4,200,000		4,200,000	110,800,000	115,000,000
All Sources	<u>4,200,000</u>		<u>4,200,000</u>	<u>295,800,000</u>	<u>300,000,000</u>

Summary of Work: The proposed new Medical Education Building will provide spaces to accommodate classrooms, anatomy labs, clinical skills, simulation spaces, faculty offices, administration offices, and student support. The four-story education and research building will be comprised of approximately 308,000 gross square feet. Approximately 150,000 gross square feet is allocated for the Education program, 125,000 feet is allocated for Research (wet labs, vivarium, lab support spaces), and 33,000 gross square feet is allocated for “Common” programmatic elements. The master plan incorporates both the initial facility and subsequent phases that will add buildings and create structured parking in the future. This first phase will provide the education and research building in the heart of the 16 acres with a separate central utility plant. The central utility plant is designed to support one future building and is expandable to support additional future buildings. The majority of the roof to be installed on the new buildings will be a TPO membrane roof system. Portions of the building that need a more durable walking surface for maintenance will be a modified bitumen membrane roof for durability where required. The roofs will come with a minimum 20-year material and workmanship warranty. Approximately 700 surface parking spaces will be created with roughly half of the spaces located south of the building and half to the north of the building. These surface lots will be the locations of future buildings. Site planning also incorporates sensitive urban planning themes enforced upon development within the Bull Street District. The entire 16-acre site will be improved with grading, landscaping, asphalt surface parking, paving to include Cooper Drive, and site utilities.

Rationale: The current School of Medicine at the Dorn VA Center campus does not reflect a cutting-edge reputation and the location is unsustainable with critical space and technology constraints. The space is leased from the U.S. Department of Veterans Affairs through an agreement that terminates in 2030. The SOM at the VA campus space requires extensive

capital investment which would be unwise for space that the university does not own or control beyond 2030. Both the SOM and the Dorn VA Center are outgrowing their respective spaces, and the VA intends to recover and occupy large portions of space currently leased by USC. Some USC research space is expected to remain active at the VA site. These and other factors have led the university to determine that a modern, efficient new facility, located closer to both the USC Columbia campus and to Prisma Health in downtown Columbia, is the most effective long-term strategy for the School of Medicine and a Health Sciences Campus.

Facility Characteristics: The site for the new 308,000 gross square foot four-story Health Sciences Campus is 16 acres in the Bull Street District in downtown Columbia. The site is near the Prisma Hospital and about 2 miles north of the USC Columbia campus. This location will be more convenient to USC's main campus and the Prisma Health Campus where many third and fourth-year medical students will have the opportunity for practical experience. The total estimated square footage of the Medical Education and Research Building and the Central Utility Plant is 335,393 gross square feet. The Medical Education Building will be home for the USC School of Medicine. The Research Building will accommodate interdisciplinary research in support of Medicine, Public Health, and other synergistic programs. Using the enrollment growth plan as a guide, the estimated number of students, faculty, staff, and visitors expected to utilize the new facility is approximately 2,000.

Financial Impact: This phase of the project will be funded from FY19 Capital Reserve (uncommitted balance \$5M at January 31, 2024), FY20 Capital Reserve (uncommitted balance \$15M at January 31, 2024), FY22 Capital Reserve (uncommitted balance \$25M at January 31, 2024), FY23 Capital Reserve (uncommitted balance \$25M at January 31, 2024), FY22 Appropriated State (nonrecurring) (uncommitted balance \$10M at January 31, 2024), FY24 Appropriated State, USC Medical School (uncommitted balance \$5M at January 31, 2024), and Other, Institutional Funds (uncommitted balance \$217 million at January 31, 2024). Institutional Funds come primarily from regular operating funds. The project is expected to result in a decrease of \$1,050,000 (years 1 thru 3), in annual operating expenditures. No student fees or tuition will be increased because of the project. A portion of tuition is designated for capital improvements, currently \$40 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024. The buildings will be constructed to meet LEED Silver certification standards with anticipated energy savings of \$10,389,600 over a 30-year period.

Full Project Estimate: \$300,000,000 funded by Institution Bonds, Capital Reserve, Appropriated State, and Institutional Funds. Contract execution is expected in November 2024 with construction completion in August 2027.

(f) Project: JBRC Item 4: University of South Carolina - Upstate
H34.9557: George Dean Johnson Building Acquisition

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of a building and +/-one acre at 160 E. St. John Street in downtown Spartanburg.

Included in CPIP: Yes – 2023 CPIP Priority 1 of 1 in FY27 (estimated at \$14,020,000)

CHE Approval: 02/06/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: The building is currently leased by the university and houses programs that must occupy the building for the foreseeable future, per the university. The owner of the building has expressed interest in selling the building to the university, which would eliminate leasing the space. If acquired, there are no plans for construction or renovation of the property by the university at this time.

Characteristics: The George Dean Johnson Building is approximately 59,000 gross square feet, was constructed in 2010 (14 years old), and is on +/- one acre which is on the corner of W. St. John St. and N. Liberty St. in downtown Spartanburg. The building predominantly houses the Business and Economics academic programs, which has over 500 students, faculty, and staff.

Financial Impact: The property is being offered by CPF Properties II, LLC for \$12,250,000. The due diligence activities will be funded from Other, Institutional Funds (uncommitted balance \$15.16 million at December 31, 2023). Revenue to this fund is generated from a variety of sources including tuition and fees and sales and services activities. The project is expected to result in a decrease of \$500,000 (years 1 thru 3), in annual operating expenditures. No student fees or tuition will be increased because of the project. A portion of tuition is designated for capital improvements, currently \$85 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024.

Full Project Estimate: \$12,270,000 (internal) funded by Institutional Funds.

(g) Project: JBRC Item 5: Spartanburg Community College
H59.6304: Cherokee Campus Hamricks Land Acquisition

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-20.39 acres referred to as the Peachoid property in Cherokee County.

Included in CPIP: No – This property was not available at the time of the 2023 CPIP submission.

CHE Approval: 02/06/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, College Plant				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: Spartanburg Community College has its Cherokee County Campus in Gaffney, SC, within the boundaries of SC Hwy 11 and Peachoid Road. The property is just north of Peachoid Road on the far west end of the campus. The college desires to acquire the property to allow a future opportunity to expand the Cherokee Campus. Per the college, this vacant land, if acquired and developed by others, may not be as affordable to the state in the future.

Characteristics: The property is +/-20.39 acres and has no buildings located on the property. It is contiguous to the Spartanburg Community College Cherokee Campus and has good interstate visibility as well.

Financial Impact: The property is being offered by Hamricks, Inc. for \$1,376,000. The due diligence activities will be funded from Other, College Plant Funds (uncommitted balance \$3.22 million at February 5, 2024). Revenue to this fund derived from the excess of revenues over expenses accumulated over time for the purpose of funding capital projects and for meeting local matching requirements. The project is expected to result in an increase of \$3,200 (years 1 thru 3), in annual operating expenditures. No student fees or tuition will be increased because of the project. Currently, there is no portion of tuition designated for capital improvements.

Full Project Estimate: \$1,396,000 (internal) funded by College Plant Funds.

(h) Project: JBRC Item 6: Spartanburg Community College
H59.6305: Cherokee Campus Smith Land Acquisition

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-1.67 acres and a 6,148 square foot building in Cherokee County.

Included in CPIP: Yes – 2023 CPIP Priority 1 of 4 in FY26 (this component estimated at \$1,161,000)

CHE Approval: 02/06/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, College Plant				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: Spartanburg Community College has its Cherokee County Campus in Gaffney, SC, within the boundaries of SC Hwy 11 and Peachoid Road. The property is just north of Peachoid Road to the south of the campus. The college desires to acquire the property to allow a future opportunity to expand the Cherokee Campus. Per the college, this land, if acquired and developed by others, may not be as affordable to the state in the future.

Characteristics: The property is +/-1.67 acres with a vacant 6,148 square foot building, formerly a Fatz Café. It is contiguous to the Spartanburg Community College Cherokee Campus and has good interstate visibility as well.

Financial Impact: The property is being offered by Gary and Margaret Smith for \$1,250,000. The due diligence activities will be funded from Other, College Plant Funds (uncommitted balance \$3.22 million at February 5, 2024). Revenue to this fund derived from the excess of revenues over expenses accumulated over time for the purpose of funding capital projects and for meeting local matching requirements. The project is expected to result in an increase of \$3,200 (years 1 thru 3), in annual operating expenditures. If acquired, the building on the property will be demolished. The estimated cost to complete the demolition will be \$70K and it will be funded using College Plant Funds. No student fees or tuition will be increased because of the project. Currently, there is no portion of tuition designated for capital improvements.

Full Project Estimate: \$1,270,000 (internal). The Final Land Acquisition will be funded by Appropriated State (nonrecurring), or College Plant Funds.

- (i) Project: JBRC Item 8: Trident Technical College
H59.6224: Berkeley Campus Renovation - Transportation and Logistics Center
- Request: Establish Phase II Full Construction Budget to re-purpose the main building on the Berkeley campus into a high-tech training facility.
- Included in CPIP: Yes – 2022 CPIP Priority 1 of 9 in FY24 (estimated at \$34,133,144)
Phase I Approval: November 2022 (estimated at \$34,133,144) (SFAA)
CHE Approval: 02/01/24

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY22 Capital Reserve (24)				1,400,000	1,400,000
FY22 Appropriated State, Proviso 118.19 (B) (27) (u)				16,306,515	16,306,515
FY22 Appropriated State, Proviso 118.18 (B) (27) (v)	511,997		511,997	4,488,003	5,000,000
Appropriated State, FY23 Proviso 118.19 (B) (27) (x)				6,000,000	6,000,000
Other, Local				8,826,629	8,826,629
All Sources	<u>511,997</u>		<u>511,997</u>	<u>37,021,147</u>	<u>37,533,144</u>

Summary of Work: The project will renovate the entire 74,083 square foot building and add approximately 11,579 square foot of additional flex space. The renovations include an interior upfit for classroom and campus functions, new roof, mechanical, electrical, plumbing systems, and addition of a new fire protection system. Classroom and campus functions include general educational classrooms, a chemistry lab, high-bay vocational training classrooms, student commons, meeting and collaboration rooms, kitchen prep area, group restrooms, office and staff areas. New construction is limited to a new high-bay area for the Diesel Mechanics Program and a new flexible classroom and training space. The existing low slope ballasted roof system will be replaced with a low slope 60 mil PVC mechanically fastened roof system and will come with a minimum 20-year material and workmanship warranty.

Rationale: This economic development project addresses the challenge of providing transportation, distribution and logistics (supply chain) services to the region by accommodating the workforce needs of diverse employment sectors, per the college. This project will re-purpose the main building to serve the transportation and supply chain needs of existing and new industries within the logistics sector including transportation and air freight providers as well as warehouse and distribution centers. Additional high-bay training spaces and labs are required to help meet new industry demands and the growing manufacturing plants located nearby.

Facility Characteristics: The 74,083 square foot building was constructed in 1982 (42 years old). The existing roof was replaced in 2007 (17 years old) and is recommended for replacement. Some components of the HVAC equipment have been replaced over the years, but much of the current equipment is over 20 years old, beyond its useful life, and failing. Restrooms were renovated 8 years ago. The remaining components, including electrical and plumbing are original to the building. The building is utilizing by 3,000+ students, 35 faculty and staff, and hundreds of clients annually.

Financial Impact: This phase of the project will be funded from FY22 Capital Reserve (uncommitted balance \$1.4 million at December 31, 2023), FY22 Appropriated State (nonrecurring) (uncommitted balance \$16.30 million at December 31, 2023), FY22 Appropriated State

(nonrecurring) (uncommitted balance \$4.48 million at December 31, 2023), FY23 Appropriated State (nonrecurring) (uncommitted balance \$6 million at December 31, 2023), and Other, College Funds (uncommitted balance \$9.47 million at December 31, 2023). The project is expected to result in an increase of \$26,113 (year 1), \$26,897 (year 2), and \$27,704 (year 3) in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$196 per student per semester, and has not increased from academic year 2019-2020. The renovations will be completed to comply with Two Green Globe certification standards with anticipated energy savings of \$1,309,929 over a 30-year period.

Full Project Estimate: \$37,533,144 funded by FY22 Capital Reserve, FY22 Appropriated State (nonrecurring), FY23 Appropriated State (nonrecurring), and College Funds. Contract execution is expected in January 2025 and completion of construction in August 2026.

(j) Project: JBRC Item 9: Department of Administration
D50.6144: Otarre Parkway Densification and Build Out

Request: Establish Phase I Pre-Design Budget to densify and build-out support areas.

Included in CPIP: No – The need for the project was unknown at the time of the 2023 CPIP submission.

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve				82,000	82,000
All Sources				<u>82,000</u>	<u>82,000</u>

Summary of Work: The project will densify and build-out support areas.

Rationale: The project will accommodate moving the Departments of Public Health, Mental Health, Disabilities and Special Needs, and Alcohol and other Drug Abuse Services to 400 Otarre Parkway in Cayce.

Facility Characteristics: The 400 Otarre Parkway Building is 514,361 square feet and was constructed in 2010 (14 years old). The building will be occupied by the Departments of Public Health, Mental Health, Disabilities and Special Needs, and Alcohol and other Drug Abuse Services, which include approximately 1,760 staff and various annual visitors.

Financial Impact: This phase of the project will be funded from Other, Depreciation Reserve Funds (uncommitted balance \$7.70 million at December 20, 2023). Revenues received are derived from the rent account, which receives rent charged to agencies. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$5,486,750 (internal) funded by Depreciation Reserve Funds. This project is related to the moving of agencies off the Bull Street Corridor in response to Proviso 118.22 of the FY24 Appropriations Act. Due to time constraints, Admin is initially funding Phase 1 out of its Depreciation Reserve account to be reimbursed from funds being requested in the FY25 budget. A budget request has been submitted to fund that reimbursement as well as the construction from Appropriated State.

(k) Project: JBRC Item 12: Department of Administration
D50.6147: Wade Hampton Building - Subsurface Water Remediation Repairs
(Annualized)

Request: Establish Phase I Pre-Design Budget for the repair/replacement of the exterior waterproofing.

Included in CPIP: No – The project and funding were not identified until after submission of the 2023 CPIP.
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State				37,000	37,000
All Sources				<u>37,000</u>	<u>37,000</u>

Summary of Work: This will be an annualized project and will be completed in two (2) annualized phases, to repair or replace the exterior waterproofing of the building basement and the underground pedestrian tunnel. The Phase I will complete all engineering and geo-technical work associated with both annualized phases of the project. Construction of the first annualized phase will address the pedestrian tunnel.

Rationale: The exterior subsurface waterproofing material for the building and pedestrian tunnel, has deteriorated, leading to water infiltration in the basement and the pedestrian tunnel. Both areas experience water infiltration in office spaces and common areas after rainfall events.

Facility Characteristics: The Wade Hampton Building is approximately 121,141 square feet and was constructed in 1938 (85 years old). The pedestrian tunnel is approximately 12,240 square feet and was constructed in 1970 (54 years old). The pedestrian tunnel is utilized by the Calhoun and Wade Hampton Buildings. The Calhoun Building is utilized by approximately 190 Judicial Branch personnel and the Wade Hampton Building is utilized by approximately 275 staff and various annual visitors of the Department of Administration, SC Commission on Prosecution, Judicial Branch, SC Commission for the Blind, Governor's Office, SC State Treasurer's Office, SC Comptroller General Office, SC Adjutant General's Office, and SC Department of Agriculture, and the State Fiscal Accountability Authority. The building is utilized by approximately 275 staff and various visitors daily.

Financial Impact: This phase of the project will be funded from FY24 Appropriated State Funds (uncommitted balance \$10 million at January 4, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,819,620 (internal) for this phase of the project funded by FY24 Appropriated State Funds. The estimated cost to complete both annualized phases is \$4,937,050, to be funded by Appropriated State and Depreciation Reserve Funds.

(l) Project: JBRC Item 13: Department of Administration
D50.6148: Window Replacement

Request: Establish Phase I Pre-Design Budget to replace the windows at the SC State Library.

Included in CPIP: Yes – 2023 CPIP Priority 12 of 38 in FY24 (estimated at \$1,000,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State				25,000	25,000
All Sources				<u>25,000</u>	<u>25,000</u>

Summary of Work: This project will replace the windows.

Rationale: The windows are original to the buildings, past their useful life, and leaking in multiple areas.

Facility Characteristics: The SC State Library Building is approximately 62,260 square feet and was constructed in 1969 (55 years old). The State Library Building is utilized by approximately 45 staff and various annual visitors.

Financial Impact: The project will be funded from FY24 Appropriated State Funds (uncommitted balance \$10 million at January 4, 2024). The project is expected to result in additional annual operating cost savings, but the amount has not yet been determined.

Full Project Estimate: \$1,000,000 (internal) funded by FY24 Appropriated State Funds.

(m) Project: JBRC Item 15: Department of Administration
D50.6123: FM Energy Facility – Replace Boiler #2

Request: Establish Phase II Full Construction Budget to replace boiler #2, located at 1121 College Street in Columbia.

Included in CPIP: Yes – 2023 CPIP Priority 2 of 38 in FY24 (estimated at \$638,781)
Phase I Approval: October 2023 (estimated at \$638,781) (JBRC)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State	14,852		14,852	1,087,370	1,102,222
All Sources	<u>14,852</u>		<u>14,852</u>	<u>1,087,370</u>	<u>1,102,222</u>

Summary of Work: The project will replace the boiler and associated piping, controls and electrical.

Rationale: The boiler has exceeded its life expectancy and parts for repairs and maintenance are difficult to source. If the boiler were to fail, only one boiler would remain to provide heating to the entire Capitol Complex.

Facility Characteristics: The FM Energy Facility is 18,572 gross square feet and serves approximately 1,124,751 gross square feet of buildings, which include the FM Energy Facility, SC State House, Gressette Building, Dennis Building, Blatt Building, Brown Building, Calhoun Building, Wade Hampton Building, SC Supreme Court Building, and the Sumter Street Building. The existing boiler being replaced was installed in 1964 (60 years old). Approximately 2,660 staff and various visitors utilize the Capital Complex.

Financial Impact: The project will be funded from FY24 Appropriated State Funds (uncommitted balance \$10 million on January 4, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,102,222 funded by FY24 Appropriated State Funds. Contract execution is expected in September 2024 and completion of construction in August 2025.

(n) Project: JBRC Item 19: Department of Administration
D50.6133: Dennis Building – Replace 2 Rooftop Air Handlers

Request: Establish Phase II Full Construction Budget to replace two rooftop air handling units.

Included in CPIP: Yes – 2023 CPIP Priority 20 of 38 in FY24 (estimated at \$1,600,000)

Phase I Approval: December 2023 (estimated at \$1,600,000) (SFAA)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	24,000		24,000	1,741,534	1,765,534
All Sources	<u>24,000</u>		<u>24,000</u>	<u>1,741,534</u>	<u>1,765,534</u>

Summary of Work: The project will replace two rooftop air handling units for the Dennis Building.

Rationale: The air handling units are approximately 45 years old, have exceeded their life expectancy, require frequent repairs, and maintenance parts are difficult to source. Failure of the air handlers would result in a loss of conditioned air to the building.

Facility Characteristics: The Dennis Building is approximately 247,573 gross square feet and was constructed in 1950 (74 years old). The rooftop air handlers were installed in 1978 (46 years old). The building is utilized by Attorney General, Commission for the Blind, Department of Natural Resources, Department of Revenue and Fiscal Affairs, and Legislative Council. The building is utilized by 750 employees and visitors daily.

Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance \$7.70 million on December 20, 2023). Revenues received are derived from the rent account, which receives rent charged to agencies. The project is expected to result in a decrease of \$3,719 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$1,765,534 funded by Depreciation Reserve Funds. Contract execution is expected in September 2024 and completion of construction in June 2026.

(o) Project: JBRC Item 23: Vocational Rehabilitation Department
H73.9626: Rock Hill VR Center Reroofing

Request: Establish Phase II Full Construction Budget to remove and replace the roof on the building.

Included in CPIP: Yes – 2023 CPIP Priority 2 of 3 in FY24 (estimated at \$604,000)

Phase I Approval: September 2023 (estimated at \$604,000) (Admin)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY23 Appropriated State, Proviso 118.19 (B)(32)(e)	15,000		15,000	589,000	604,000
Other, FY17 Capital Reserve (43) (FY24 Proviso 32.5)				101,800	101,800
Other, FY17 Capital Reserve (44) (FY24 Proviso 32.5)				106,800	106,800
Other, FY20 Appropriated State, Proviso 118.16 (B)(46) (FY24 Proviso 32.5)				211,509	211,509
All Sources	<u>15,000</u>		<u>15,000</u>	<u>1,009,109</u>	<u>1,024,109</u>

Summary of Work: The project will remove and replace the 4-ply built-up gravel roofing system with a new two-ply smooth granular surfaced modified bitumen roofing system, to include associated flashings and metal work. The new roof will come with the required minimum 20-year material and workmanship warranty.

Rationale: The existing roof is a 10-year roof system and is past its life expectancy. Numerous leaks have been repaired to the roof; however, the size of the leaks and frequency of the leaks are increasing.

Facility Characteristics: The Rock Hill Vocational Rehabilitation (VR) Center is 26,700 square feet and was constructed in 1989 (35 years old). The existing roof is original to the building. This VR center provides services to individuals with a wide range of disabilities. The facility is utilized by 25 staff and 20 to 30 consumers daily.

Financial Impact: This phase of the project will be funded from FY23 Appropriated State (non-recurring) Funds (uncommitted balance \$589K at January 16, 2024), Other, FY17 Capital Reserve (related to Proviso 32.5) (uncommitted balance \$209K at January 16, 2024), Other, FY20 Appropriated State (nonrecurring) (related to Proviso 32.5) (uncommitted balance \$212K at January 16, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,024,109 funded by FY17 Capital Reserve, FY20 Appropriated State (nonrecurring), and FY23 Appropriated State (nonrecurring) Funds. Contract execution is expected in April 2024 and completion of construction in October 2024.

(p) Project: JBRC Item 28: Department of Mental Health
J12.9807: Coastal Empire Community MHC HVAC, Sprinkler System, and Fire Alarm Replacement

Request: Increase Phase II Full Construction Budget to cover higher than anticipated bid costs to replace HVAC, sprinkler system and fire alarm system at the Coastal Empire Mental Health Center in Beaufort.

Included in CPIP: No – The need for the increase was unknown at the time of the 2023 CPIP submission.
Phase I Approval: December 2021 (estimated at \$1,600,000) (SFAA)
Phase II Approval: November 2022 (estimated at \$1,600,000) (SFAA)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	24,000	1,576,000	1,600,000	485,612	2,085,612
All Sources	<u>24,000</u>	<u>1,576,000</u>	<u>1,600,000</u>	<u>485,612</u>	<u>2,085,612</u>

Summary of Work: The mental health center is conditioned by 15 split system heat pumps consisting of outdoor condensing units and indoor air handling units. The indoor units in the attic will also be replaced, and includes all ducting, dampers, refrigerant lines, and reconfiguring the mountings to allow proper maintenance access. The fire alarm system will be upgraded, and the fire sprinkler system will be replaced.

Rationale: The HVAC system is well past its useful life. The existing fire sprinkler system has experienced multiple leaks over the last several years. The fire alarm system needs to be upgraded due to age and parts availability.

Facility Characteristics: The Coastal Empire Mental Health Center is 16,766 square feet and was constructed in 1995 (29 years old). All the building components are original to the building. The facility has 45 staff and serves 26 patients per day and provides an average of 83 services per day during normal business hours.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$18.96 million at February 9, 2024). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in a decrease of \$1,500 (year 1), and \$2,500 (years 2 and 3) in annual operating expenses.

Full Project Estimate: \$2,085,612 funded by Capital Improvement & Maintenance Funds. Contract execution is expected in March 2024 and completion of construction in February 2025.

(q) Project: JBRC Item 32: Department of Corrections
N04.9797: AE Design Container Farm Vertical Roots - Camille

Request: Establish Phase II Full Construction Budget to purchase and install portable structures.

Included in CPIP: Yes – 2023 CPIP Priority 12 of 14 in FY24 (estimated at \$350,000)

Phase I Approval: October 2023 (estimated at \$1,200,000) (SFAA)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating	18,000		18,000		18,000
Other, Canteen Revenue				416,316	416,316
Other, Equipment Donation				850,000	850,000
All Sources	<u>18,000</u>		<u>18,000</u>	<u>1,266,316</u>	<u>1,284,316</u>

Summary of Work: The project will purchase and install six (6) portable structures. These structures will be utilized under the supervision of the Agriculture Division of Operations to produce fresh leaf greens.

Rationale: The fresh leaf greens produced will offset the food cost to the agency.

Facility Characteristics: The six (6) portable structures will total 2,688 square feet and will be located at Camille Correctional Institution. SCDC feeds 16,000 inmates daily, procuring its leafy green vegetables from an outside vendor. The Agriculture Division of Operations

Financial Impact: This phase of the project will be funded from Other, Canteen Revenue (uncommitted balance \$5.10 million at January 10, 2024), and Other, Holland Family Charitable Fund of Coastal Community Foundation Donation (donation of \$850K in equipment). The project is expected to result in an increase of \$3,000 (year 1), and \$8,500 (years 2 thru 3), in annual operating expenditures.

Full Project Estimate: \$1,284,316 funded by Appropriated State, Operating, Canteen Revenue and Equipment Donation. Contract execution is expected in May 2024 and completion of construction in October 2024.

(r) Project: JBRC Item 34: Department of Juvenile Justice
N12.9627: Parking Expansion for Security Needs

Request: Increase Phase II Full Construction Budget to cover the cost to remove and replace the bad fill of the existing parking lot in the project to construct a new asphalt parking lot at the Broad River Road Campus.

Included in CPIP: No – The need for the increase was unknown at the time of the 2023 CPIP submission.
Phase I Approval: February 2023 (estimated at \$605,000) (JBRC)
Phase II Approval: May 2023 (estimated at \$700,000) (Admin)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Carryforward	29,370	670,630	700,000		700,000
Appropriated State, FY23 Carryforward		250,000			250,000
Appropriated State, FY24 Operating (FY24 Proviso 67.15)				150,000	150,000
All Sources	<u>29,370</u>	<u>920,630</u>	<u>950,000</u>	<u>150,000</u>	<u>1,100,000</u>

Summary of Work: The project will construct a new asphalt parking lot to include the existing parking lot and expansion towards Broad River Road. An area across the entrance road from the existing parking will also be considered as an area for expansion of the parking lot. This increase will allow for the removal and replacement of the bad fill with a suitable material.

Rationale: During proof rolling in anticipation of laying the base for the asphalt, it was discovered that the fill under the current parking lot is not sufficient and must be replaced to ensure that the asphalt will be durable and not develop potholes and other defects. This project is an agency priority as it will allow staff to park outside the security fence, which will increase security and decrease liability. Additionally, due to the planned increase of administrative and non-direct care staff, more vehicles are projected to use the existing parking spaces, which will require an increased capacity for personal and state vehicles.

Facility Characteristics: The new parking lot will accommodate approximately 300 vehicles located in front of the Community Connections Center (CCC) building. Approximately 300 staff and 50 visitors will utilize the new parking area on a daily basis.

Financial Impact: This phase of the project will be funded from Appropriated State, FY24 Operating Funds (uncommitted balance \$69.88 million at February 26, 2024). Proviso 67.15 allows the South Carolina Department of Juvenile Justice (DJJ) the flexibility to use the agency's cash and carry forward balances for operating and/or capital needs in specific categories outlined in the Proviso. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,100,000 funded by Appropriated State, FY22 & FY23 Carryforward, and FY24 Operating Funds. Construction completion is anticipated in 2024.

(s) Project: JBRC Item 38: Department of Parks, Recreation & Tourism
P28.9840: Property Acquisition - Black River Browns Ferry

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-355 acres in Georgetown County.

Included in CPIP: Yes – 2023 CPIP Priority 24 of 29 in FY24 (this component estimated at \$1,220,000)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(38)(a)				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: If acquired, the property will provide residents and visitors a wilderness-quality experience along a coastal-plan river. The agency's presence in the region will help spur visitation and tourism, per the agency. The property is an important tract to connect and provide access to residents.

Characteristics: The property to be acquired is +/- 355 acres along the Black River and is near the town of Andrews. The land is part of a larger green way that will require additional acquisition.

Financial Impact: The property is owned by Evergreen Timber Co, SC, LLC and will be acquired by Open Space Institute Land Trust, Inc. in the next six months for the proposed purchase price of \$1,200,000. The due diligence activities will be funded from FY24 Appropriated State (nonrecurring) Funds (uncommitted balance \$1.5 million at January 12, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,220,000 (internal) funded by FY24 Appropriated State (non-recurring) Funds. The acquisition will be funded by \$300K in Federal, Land and Water Conservation Grant Funds, and a SC Conservation Bank Grant that the agency will be applying for.

(t) Project: JBRC Item 40: Department of Parks, Recreation & Tourism
P28.9842: Property Acquisition - Black River Mingo Creek

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-675 acres in Georgetown County.

Included in CPIP: Yes – 2023 CPIP Priority 24 of 29 in FY24 (this component estimated at \$1,620,000)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(38)(a)				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: If acquired, the property will provide residents and visitors a wilderness-quality experience along a coastal-plan river. The agency's presence in the region will help spur visitation and tourism, per the agency. The property is an important tract to connect the Black River and Mingo Creek and provide access to residents.

Characteristics: The property to be acquired is +/-675 acres along the Black River and is near the town of Andrews.

Financial Impact: The property is owned by Evergreen Timber Co, SC, LLC and will be acquired by Open Space Institute Land Trust, Inc. in the next six months for the proposed purchase price of \$1,600,000. The due diligence activities will be funded from FY24 Appropriated State (nonrecurring) Funds (uncommitted balance \$1.5 million at January 12, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,620,000 (internal) funded by FY24 Appropriated State (non-recurring) Funds. The acquisition will be funded by \$600K in Federal, National Oceanic and Atmospheric Administrative Grant Funds, and a SC Conservation Bank Grant that the agency will be applying for.

(u) Project: JBRC Item 41: Department of Parks, Recreation & Tourism
P28.9843: Property Acquisition – Kings Mountain 48 Acre Metker

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-48 acres in York County.

Included in CPIP: Yes – 2023 CPIP Priority 24 of 29 in FY24 (this component estimated at \$1,730,000)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(38)(a)				30,000	30,000
All Sources				<u>30,000</u>	<u>30,000</u>

Rationale: If acquired, the acquisition will provide long term protection to the property, which is located in Kings Mountain State Park. Acquiring this tract will protect this land in the center of the park from development, and potentially create a potential revenue source with rental of the shelter for events.

Characteristics: The property to be acquired is +/-48 acres in the center of the park, and includes a pond, shelter, and two log cabins.

Financial Impact: The property is offered by Open Space Institute Land Trust, Inc. for the proposed purchase price of \$1,700,000. The due diligence activities will be funded from FY24 Appropriated State (nonrecurring) Funds (uncommitted balance \$1.5 million at January 12, 2024). The project is not expected to result in any change in annual operating expenditures. The additional \$10K included in this request will be used to cover survey to show the improvements made to the property by the current owner.

Full Project Estimate: \$1,730,000 (internal) funded by FY24 Appropriated State (non-recurring) Funds. The acquisition will be funded by \$1,200,000 million in SC Conservation Bank Grant, and \$500,000 in FY24 Appropriated State (nonrecurring) Funds.

(v) Project: JBRC Item 42: Department of Parks, Recreation & Tourism
P28.9844: Property Acquisition - Waites Merrill

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-107 acres in Horry County.

Included in CPIP: Yes – 2023 CPIP Priority 24 of 29 in FY24 (this component estimated at \$4,020,000)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(38)(a)				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: If acquired, the acquisition will provide long term protection to the property. Waites Island is the most significant undeveloped coastal fringe habitat in the 22 miles from Myrtle Beach to the North Carolina border. It is one of the last remaining undeveloped and unprotected barrier islands of this size in the southeastern United States.

Characteristics: The property to be acquired is +/-107 acres that includes mainland property, beachfront, marsh, with a residence and guest house on Little River Neck.

Financial Impact: The property is offered by Open Space Institute Land Trust, Inc. for the proposed purchase price of \$4,000,000. The due diligence activities will be funded from FY24 Appropriated State (nonrecurring) Funds (uncommitted balance \$1.5 million at January 12, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$4,020,000 (internal) funded by FY24 Appropriated State (non-recurring) Funds. The acquisition is anticipated to be funded by a CZM Habitat Protection and Restoration Bipartisan Infrastructure Law Competition Grant.

(w) Project: JBRC Item 43: Department of Parks, Recreation & Tourism
P28.9845: Tyger Oak Property

Request: Establish Preliminary Land Acquisition for the purpose of investigating the acquisition of +/-945 acres in Spartanburg County.

Included in CPIP: Yes – 2023 CPIP Priority 24 of 29 in FY24 (this component estimated at \$23,010,000)
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(38)(a)				10,000	10,000
All Sources				<u>10,000</u>	<u>10,000</u>

Rationale: The Department of Parks, Recreation and Tourism, in partnership with the SC Conservation Bank and the SC Office of Resilience are requesting to establish this project to acquire property that will be the future Central Park of Spartanburg. Acquisition of this property will also protect 1.2 miles of river frontage on Lawsons Fork Creek, adjoin previously protected property, and preserve the industrial history of the area.

Characteristics: The property to be acquired is +/-945 contiguous acres withing 5 miles of downtown Spartanburg, with 1.2 miles of river frontage on Lawsons Fork Creek. This property will connect existing protected property to create a contiguous 1,161-acre conservation corridor. The property includes 2 small (roughly 10x10), dilapidated pump houses used by Spartanburg Public Works before being decommissioned.

Financial Impact: Spartanburg Area Conservancy (SPACE), as a cooperative partner of the state, is under contract to purchase this tract for \$25,000,000. After acquisition, SPACE will offer the property to the Department of Parks, Recreation and Tourism for \$23,000,000. The due diligence activities will be funded from FY24 Appropriated State (nonrecurring) Funds (uncommitted balance \$1.5 million at January 12, 2024). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$23,010,000 (internal) funded by FY24 Appropriated State (non-recurring) Funds. The acquisition will be funded by \$20,000,000 in SC Office of Resilience, and \$3,000,000 in SC Conservation Bank Funds (pending approval from Bank Board).

Other: Upon the Department of Parks, Recreation and Tourism's acquisition of the property, a lease agreement with Spartanburg County will be executed for the long-term management of the green space passive park. SPACE will also place a mutually agreed upon conservation easement at the time of the acquisition.

(x) Project: JBRC Separate Item: Department of Commerce
P32.9537: Project Agave – ED Bonds

Request: Establish Phase II Full Construction Budget for an economic development project that will utilize economic development bond proceeds.

Included in CPIP: No
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Economic Development Bonds				110,000,000	110,000,000
All Sources				<u>110,000,000</u>	<u>110,000,000</u>

Summary of Work: The project will construct a warehouse building owned by Florence County. The work includes grading and site preparation, waterworks improvements, internal and external road improvements, and training facilities.

Rationale: This is a significant economic development project that consists of job creation and investment in the state by a manufacturer of electric batteries for the automotive industry.

Facility Characteristics: The project will construct an electric vehicle battery manufacturing facility, known as Project Agave in Florence County. The new facility will create 400 new jobs.

Financial Impact: The project will be funded from Other, Economic Development Bonds (\$110,000,000 to be issued).

Full Project Estimate: \$110,000,000 funded from Economic Development Funds.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

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

- (a) County Location: Charleston
From: Department of Administration
To: James Island Public Service District
Consideration: \$723.80 Administrative fee
\$2,889.35
Description/Purpose: To grant an easement with two easement areas of 0.474± acres and 1.473± acres for the construction, installation, operation and maintenance of a 20" and 24" sewer force main beneath the tidal marshes of James Island Creek. The easement is needed to provide additional capacity and redundancy for growth in the James Island service area. The easement will contain termination language that if the easement holder abandons the easement, is in breach, or ceases to use the easement for its intended purpose, it will terminate. The term of the easement will be fifty (50) years. Consideration is \$723.80 administrative fee plus the average sales price per acre of improved agricultural land for easements across navigable waterways and submerged lands. There are no exceptions requested with regard to the 2022 easement policy.
- (b) County Location: Marlboro
From: Department of Administration on behalf of South Carolina Department of Motor Vehicles (DMV)
To: To be determined
Consideration: The easement will be granted for appraised value in accordance with the 2022 policy as the value of the contemplated easement is included in the appraised value of the property to be sold.
Description/Purpose: To provide authorization to grant a 0.08 acre permanent easement to the future buyer upon closing of the sale for the purpose of vehicular ingress and egress over a shared driveway at the DPS and DMV Bennettsville Office. DPS has declared their office surplus and is in the process of selling their property. However, an additional driveway access would not be permitted as it does not meet driveway spacing requirements as defined by the SCDOT Access and

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

- Additional Information: Roadside Management Standards (ARMS Manual). The easement is needed to provide access for both buildings co-located on the property. The easement will contain termination language that if the easement holder is in breach it will terminate. The value of the proposed easement is contemplated in the appraised value of the property to be sold upon closing. DMV has also determined that, in accordance with the requirement of the statute, the easement does not appear to materially impair the utility of the property or damage it.
- (c) County Location: Charleston
- From: Department of Administration
- To: Charleston Water System
- Consideration: \$723.80 Administrative fee
\$820.65
- Description/Purpose: To grant a non-exclusive easement with three easement areas of 0.064± acres, 0.013± acres, and 0.476± acres for the construction, installation, operation and maintenance of a sanitary sewer force main beneath Burden Creek on Johns Island. The easement is needed to extend sewer service to the southern portion of Johns Island within the Urban Growth Boundary and CWS's service area. The easement will contain termination language that if the easement holder abandons the easement, is in breach, or ceases to use the easement for its intended purpose, it will terminate. The term of the easement will be fifty (50) years. Consideration is \$723.80 administrative fee plus the average sales price per acre of unimproved agricultural land for easements across navigable waterways and submerged lands in Charleston County. There are no exceptions requested with regard to the 2022 easement policy.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easements

AUTHORITY ACTION REQUESTED:

Approve the referenced easements, as recommended by the Department of Administration, Facilities Management and Property Services.

ATTACHMENTS:

Agenda item worksheet and attachment

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: March 26, 2024

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster

Ashlie Lancaster, Director

2. Subject: Easements

3. Summary and Background Information:

- (a) County Location: Charleston
From: Department of Administration
To: James Island Public Service District
Consideration: \$723.80 Administrative fee
\$2,889.35
Description/Purpose: To grant an easement with two easement areas of 0.474± acres and 1.473± acres for the construction, installation, operation and maintenance of a 20" and 24" sewer force main beneath the tidal marshes of James Island Creek. The easement is needed to provide additional capacity and redundancy for growth in the James Island service area. The easement will contain termination language that if the easement holder abandons the easement, is in breach, or ceases to use the easement for its intended purpose, it will terminate. The term of the easement will be fifty (50) years. Consideration is \$723.80 administrative fee plus the average sales price per acre of improved agricultural land for easements across navigable waterways and submerged lands. There are no exceptions requested with regard to the 2022 easement policy.
- (b) County Location: Marlboro
From: Department of Administration on behalf of South Carolina
Department of Motor Vehicles (DMV)
To: To be determined
Consideration: The easement will be granted for appraised value in accordance with the 2022 policy as the value of the contemplated easement is included in the appraised value of the property to be sold.
Description/Purpose: To provide authorization to grant a 0.08 acre permanent easement to the future buyer upon closing of the sale for the purpose of vehicular ingress and egress over a shared driveway at the DPS and DMV Bennettsville Office. DPS has declared their office surplus and is in the process of selling their property. However, an additional driveway access would not be permitted as it does not meet driveway spacing requirements as defined by the SCDOT Access and Roadside Management Standards (ARMS Manual). The easement is needed to provide access for both buildings co-located on the property. The easement will contain termination language that if the easement holder is in breach it will terminate. The value of the proposed easement is contemplated in the appraised value of the property to

Additional Information: be sold upon closing. DMV has also determined that, in accordance with the requirement of the statute, the easement does not appear to materially impair the utility of the property or damage it. DPS' Bennettsville property is currently being marketed by CBRE. Once a viable contract is secured, the State will reserve an access easement to maintain ingress and egress upon the portion of the shared driveway included with the subject property.

(c) County Location: Charleston
From: Department of Administration
To: Charleston Water System
Consideration: \$723.80 Administrative fee
\$820.65
Description/Purpose: To grant a non-exclusive easement with three easement areas of 0.064± acres, 0.013± acres, and 0.476± acres for the construction, installation, operation and maintenance of a sanitary sewer force main beneath Burden Creek on Johns Island. The easement is needed to extend sewer service to the southern portion of Johns Island within the Urban Growth Boundary and CWS's service area. The easement will contain termination language that if the easement holder abandons the easement, is in breach, or ceases to use the easement for its intended purpose, it will terminate. The term of the easement will be fifty (50) years. Consideration is \$723.80 administrative fee plus the average sales price per acre of unimproved agricultural land for easements across navigable waterways and submerged lands in Charleston County. There are no exceptions requested with regard to the 2022 easement policy.

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

5. What is recommendation of the submitting agency involved? Approve the referenced easements.

6. Private Participant Disclosure – Check one:

- ☒ No private participants will be known at the time the Authority considers this agenda item.
☐ A Private Participant Disclosure form has been attached for each private participant.

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

7. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
(b) Office Name: [Click or tap here to enter text.](#)
-

8. List of Supporting Documents:

- (a) SC Code of Laws Sections 1-11-70, 1-11-80, 1-11-100 and 10-1-130
(b) Exhibits (plats, maps, etc.)
a. James Island Public Service District
b. DPS/DMV shared driveway

c. Charleston Water System

SOUTH CAROLINA CODE OF LAWS

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

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

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

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

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

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

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

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



James Island Public Service District

Dedicated to Public Service Excellence

Dave Schaeffer – District Manager

OFFICE OF THE DISTRICT MANAGER

February 28, 2024

VIA E-MAIL

State Fiscal Accountability Authority
c/o Brittini Geny (Brittini.Geny@admin.sc.gov)
1200 Senate Street
Columbia, SC 29401

Re: State of South Carolina Easement Submittal for the James Island Public Service District
Force Main Project

Dear Ms. Geny,

The James Island Public Service District (“JIPSD”), a South Carolina Special Purpose District, is hereby requesting a State wetlands easement from the South Carolina State Fiscal Accountability Authority pursuant to S.C. Code of Laws §§ 1-11-80 through 1-11-100 for the purpose of the construction, installation, operation, and maintenance of a new sewer force main servicing the residents and community of James Island, South Carolina. The location of the requested easement is more particularly shown and delineated on a drawing prepared by G. Robert George and Associates, Inc., dated July 26, 2023, revised February 1, 2024, and included as part of JIPSD’s submittal materials.

The requested State wetlands easement is necessary for a proposed wastewater transmission force main Project that will parallel an existing JIPSD 18” ID circa 1996 force main located beneath James Island Creek and adjacent tidal wetlands. This Project will provide additional transmission capacity to meet projected 2040 population growth demands throughout James Island and also provide emergency transmission network redundancy for the District’s largest regional Pump Station-11, two other primary JIPSD pump stations, and Charleston Water System (“CWS”) Pump Station - 61. The combined services areas of these four pump stations generate approximately two thirds of the average daily wastewater volume generated within the JIPSD service area and all wastewater transported from Folly Beach. The proposed Project will significantly reduce the failure possibility of the JIPSD’s 30-year-old 18” Harbor View Road force main and eliminate additional failures of the CWS PS-61 40-year-old 16” force main. The CWS 16” force main is currently out of service and considered to be too fragile and susceptible to additional rupture. A significant rupture in either the JIPSD’s existing 18” force main or the CWS 16” force main will result in additional major raw sewage spills into the James Island Creek watershed and surrounding tidal wetlands adjacent to the Ashley River. No other wastewater transmission facilities currently exist to transport wastewater from this portion of James Island or Folly Beach to the CWS Plum Island Regional Wastewater Treatment Facility other than the JIPSD’s nearly three decades old 18” HVR force. The JIPSD’s 18” force main has also reached its functional wet-weather capacity and therefore increases the likelihood of upstream wastewater overflows during extended wet weather conditions.

1739 Signal Point Road | P.O. Box 12140 | Charleston, SC 29422-2140
P 843-998-6178 | F 843-762-5240 | schaefferd@jipsd.org | www.jipsd.org

JIPSD is an Equal Opportunity Employer and Provider, an At-Will Employer and a Drug-Free Workplace. We participate in E-Verify.

The Proposed Project will include a total of 5,573 Ft. of 20" and 24" nominal internal diameter (ID) wastewater transmission force mains extending from at existing junction assembly at Harbor View Road and Waites Drive to the to the CWS Plum Island Wastewater Treatment Facility. The Project will include three (3) HDPE Horizontal Directional Drills (HDD) of 863 Ft., 1,215 Ft., a 3,309 Ft tidal march and James Island Creek crossing, and a 186 feet open-cut 20" ID force main crossing of Harbor View Road. The Project will include the permanent diversion of CWS-61 flow into the District's existing 18" force main, allow abandonment of the existing, failure prone CWS 16" force main, and provide four (4) force main junctions including two emergency flow diversion cross-connections to divert flow into either the District's existing 18" ID or the proposed 20"/24" ID force mains.

The proposed 20" and 24" ID transmission force mains will be horizontally directional drilled (HDD) beneath Janes Island Creek and the adjacent tidal wetlands at a nominal depth of approximately 60 feet below Mean Sea Level (MSL). The high-density polyethylene (HDPE) pipe material is essentially inert and not subject to external corrosion or internal chemical degradation from wastewater. Each 40 feet long HDPE pipe section will be fusion welded prior to pull-back installation to create continuous, joint free pipe segments from end-to-end. The expected service life of HDPE pipe material installed at the depths proposed will be well in excess of 60 years.

We appreciate your consideration of this request for the subject easement that is necessary for JIPSD's critical sewer infrastructure Project. Please contact me should you have any questions pertaining to this submittal.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dave Schaeffer", is written over a horizontal line.

Dave Schaeffer,
District Manager, James Island Public Service District
843-998-6178
schaefferd@jipsd.org

LEGEND

- IPF — IRON PIN FOUND
— O — IRON PIN NOT FOUND
— — — — — EASEMENT LINE
— — — — — MEAN HIGH WATER
— — — — — MEAN LOW WATER
— — — — — AREA OF SEWER EASEMENT

DETAIL A

DETAIL A

DETAIL B

DETAIL B

LOCATION MAP
NOT TO SCALE

REFERENCE:

1. A BOUNDARY SURVEY OF COUNTRY CLUB OF CHARLESTON, BY SOUTHEASTERN SURVEYING, INC., DATED FEBRUARY 25, 1994, RECORDED IN CHARLESTON COUNTY RMC BOOK CP PAGE 062.
2. PLAT OF PLUM ISLAND, SURROUNDING MARSH, CAUSEWAY AND HIGH LAND ON JAMES ISLAND, BY LOUIS Y. DAWSON, INC., CONSULTING ENGINEERS, DATED AUGUST 1966, RECORDED IN CHARLESTON COUNTY RMC BOOK V PAGE 26.
3. PLAT OF HARBOR VIEW MARSH AREA, JAMES ISLAND, BY HAROLD A. MOORE, DATED DECEMBER 20, 1954, RECORDED IN CHARLESTON COUNTY RMC BOOK J PAGE 162.
4. PLAT OF LOTS A&B OF 18 HARBOR VIEW SUBDIVISION, JAMES ISLAND, BY DAVID HUFF, SURVEYOR, DATED FEBRUARY 9, 1986, RECORDED IN CHARLESTON COUNTY RMC BOOK BH, PAGE 129.
5. MAP OF LOTS A-B-C AND D HIGH LAND AND W-X-Y AND Z MARSH JAMES ISLAND, BY W. L. GALLARD SURVEYOR, DATED APRIL 18, 1952, RECORDED IN CHARLESTON COUNTY RMC BOOK N56, PAGE 107.
6. PLAT OF PROPERTY ON JAMES ISLAND LOT A, B&C OWNED, BY W. L. GALLARD SURVEYOR, DATED JUNE 26, 1973, RECORDED IN CHARLESTON COUNTY RMC BOOK R, PAGE 78.
7. PLAT OF LOTS A&B OF 18 HARBOR VIEW SUBDIVISION, JAMES ISLAND, BY DAVID HUFF, SURVEYOR, DATED FEBRUARY 9, 1986, RECORDED IN CHARLESTON COUNTY RMC BOOK BH, PAGE 129.
8. PLAT OF LAWTON BLUFF SUBDIVISION OF THE JAMES ISLAND PLANTATIONS, INC., BY J. O'HEAR SANDERS, JR., SURVEYOR, DATED DECEMBER 1952, RECORDED IN CHARLESTON COUNTY RMC BOOK J, PAGE 012.
9. PLAT SHOWING PROPOSED RIGHT-OF-WAY THROUGH LOTS 134 AND 135 SECTION OF LAWTON'S BLUFF SUBDIVISION, BY CHARLESTON COUNTY PUBLIC WORKS DEPARTMENT, DATED NOVEMBER 1957, RECORDED IN CHARLESTON COUNTY RMC BOOK L PAGE 107.
10. PLAT SHOWING NEW SANITARY SEWER EASEMENT, BY G. ROBERT GEORGE AND ASSOCIATES, INC., DATED OCTOBER 10, 1994.

EASEMENT AREA

IDENTIFICATION	OWNER	EASEMENT AREA
STATE EASEMENT A	WATERS OF THE STATE	0.474 ACRES (20,641.81 SF)
STATE EASEMENT B	WATERS OF THE STATE	1.473 ACRES (64,182.51 SF)

LINE TABLE

NUMBER	DISTANCE	BEARING
L1	5.82'	N49°44'45"E
L2	10.04'	S49°44'45"W
L3	10.04'	S49°44'45"W
L4	10.00'	N45°38'26"E
L5	10.00'	N45°38'26"E
L6	13.45'	N15°3'19"W
L7	7.01'	N15°3'19"W
L8	5.93'	N20°51'34"W
L9	118.49'	S8°58'22"E
L10	14.90'	N75°6'59"E
L11	12.01'	N75°6'59"E
L12	10.35'	N43°47'39"E

APPROVAL OF THIS PLAT ONLY CONSTITUTES
APPROVAL OF THE NEW UTILITY EASEMENT
INDICATED HEREON

I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION,
AND BELIEF, THE EASEMENT SURVEY SHOWN HEREIN WAS MADE IN
ACCORDANCE WITH THE REQUIREMENTS OF THE MINIMUM STANDARDS
MANUAL FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA,
THAT THIS PLAT IS INTENDED ONLY TO SHOW THE LOCATION OF A NEW
UTILITY EASEMENT. THE EASEMENT LINE(S) SHOWN ARE
BASED ON A FIELD SURVEY EVIDENCE WHICH MEETS OR EXCEEDS
THE REQUIREMENTS FOR A CLASS "A" SURVEY.

PLAT
SHOWING
NEW SEWER EASEMENT
TO BE ACQUIRED BY
JAMES ISLAND PUBLIC SERVICE DISTRICT
CHARLESTON COUNTY, SOUTH CAROLINA
JULY 26, 2023 SCALE: 1"=120'
REVISED FEBRUARY 01, 2024

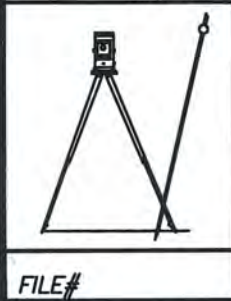
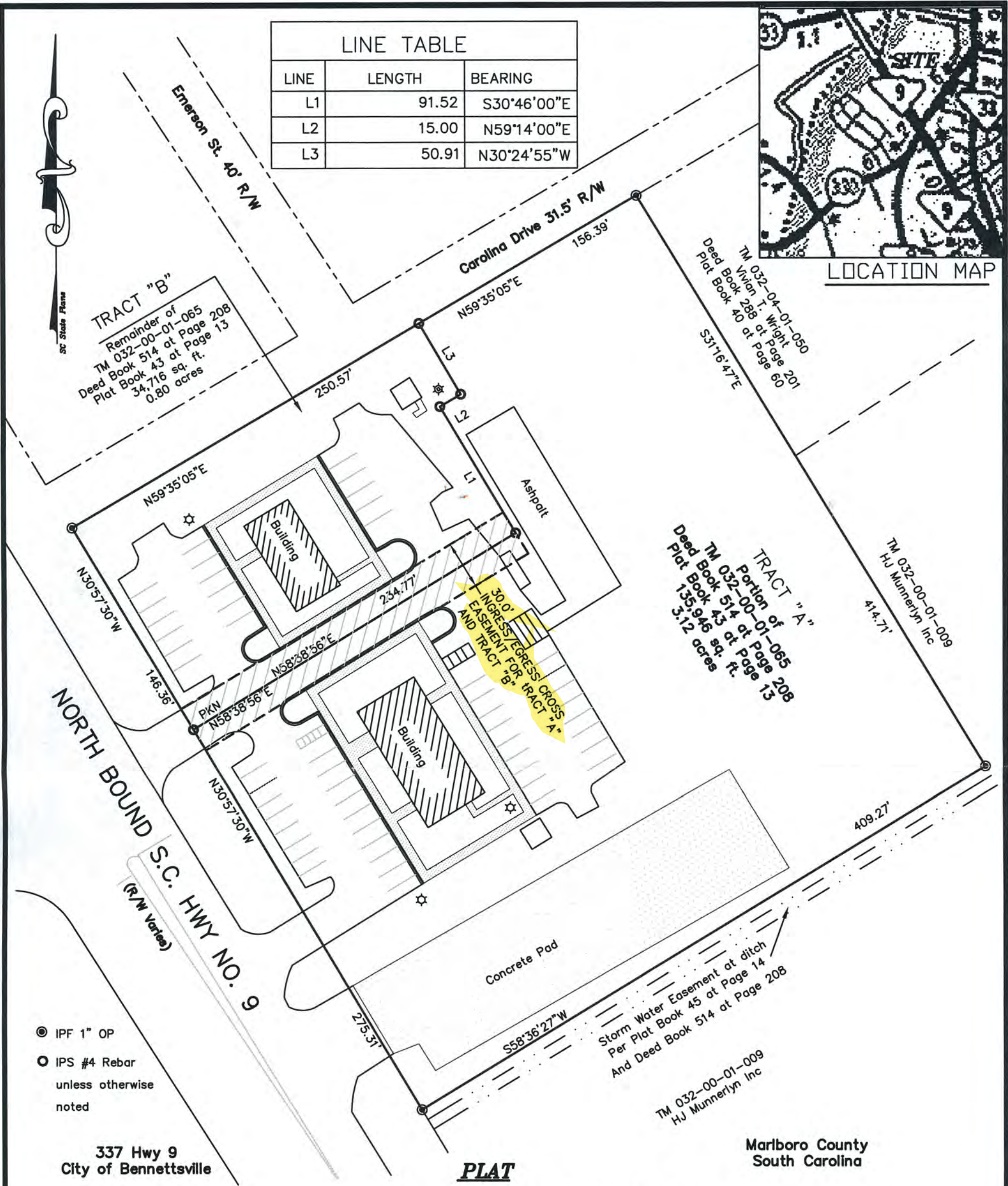
SCALE 1"=120'
Scale Feet

G. ROBERT GEORGE AND ASSOCIATES, INC.
CONSULTING ENGINEERS, PLANNERS
AND LAND SURVEYORS

P.O. BOX 32158 (843) 556-4261
CHARLESTON, SOUTH CAROLINA 29417-2158

DETAIL C

DETAIL C



NESBITT SURVEYING CO., INC.
4340 ALLIGATOR ROAD
U.S. HIGHWAY 76 & ALLIGATOR ROAD
TIMMONSVILLE, S.C. 29161
PHONE (843) 346-3302
FAX (843)-346-5802
email davidn@nesbittsurveying.com

David A. Nesbitt
DAVID A. NESBITT RLS NO 7623



DATE: October 10, 2021
JOB NO: 211015
FLD BK:
PAGE:
REF JOB#:
TAX MAP #: 032-00-01-065
SCALE 1" = 60 FT
0 15 30 60 120
GRAPHIC SCALE



February 26, 2024

South Carolina Department of Administration
Division of Facilities Management and Property Services
1200 Senate Street, 6th Floor
Columbia, SC 29201
Via Email [RPS@admin.sc.gov]

SUBJECT: State Easement Application
Charleston Water System
Johns Island Wastewater Extension Phase 3
Johns Island, SC

Dear Linda:

On behalf of Charleston Water System, we respectfully submit the enclosed State Easement Application for the Johns Island Wastewater Extension Phase 3 project on Johns Island, SC. The purpose of the proposed project is to extend sewer service to the southern portion of Johns Island within the Urban Growth Boundary and Charleston Water System's service area. The scope of work associated with the requested easement includes installation of approximately 487 linear feet of 8-inch High Density Polyethylene Pipe (HDPE) sanitary sewer force main via horizontal directional drill under Burden Creek on Johns Island, SC. The force main will be installed a minimum 10-feet below the invert / bottom of Burden Creek. The force main is located within a shared utility easement on Charleston County TMS #317-00-00-022 and TMS #317-00-00-042.

Charleston Water System requests a 50-year duration for the easement as this is the expected lifetime of the infrastructure installed within the easement.

Enclosed with the application are the following documents:

- 2 signed/sealed original Easement Plats (Full Size)
- 6 copies of the Easement Plat (11x17)
- Final Recorded Easement/Condemnation Document for TMS #317-00-00-022 will be provided upon receipt. See enclosed letter from Charleston Water System Attorney.
- Final Recorded Easement/Condemnation Document for TMS #317-00-00-042 will be provided upon receipt. See enclosed letter from Charleston Water System Attorney.
- US Army Corps of Engineers Nationwide Permit #SAC-2020-01576
- SCDHEC-OCRM Coastal Zone Consistency Certification #HPG-Y43J-BA2Q4
- SCDHEC Wastewater Construction Permit - Permit #WW044423
- SCDHEC 401 Water Quality Certification Permit #SAC-2020-01576

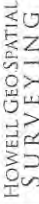


Should you have any questions or require additional documentation, please contact me via email at thuggins@ardurra.com or on my cell phone at 843.209.7714.

Very truly yours,

Tammy L. Huggins, PE
Senior Project Engineer

cc: Austin Lewandowski, PE, Charleston Water System



191 LARISSA DRIVE
CHARLESTON, SC 29414
OFFICE (843) 647-5563
CELL (843) 819-7496
FAX (843)-647-5563
HG-SURVEYING@COMCAST.NET



EASEMENT PLAT OF A 40' WIDE CWS UTILITY EASEMENT A, CONTAINING 0.064 ACRES, A 30' WIDE CWS UTILITY EASEMENT B, CONTAINING 0.013 ACRES, AND A VARIABLE WIDTH CWS UTILITY EASEMENT C, CONTAINING 0.476 ACRES ON AND ADJACENT TO BURDEN CREEK, LOCATED ON JOHNS ISLAND NEAR THE CITY OF CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA
SURVEY REQUESTED BY CHARLESTON WATER SYSTEM

CITY: NEAR CHARLESTON

COUNTY: CHARLESTON

STATE: SOUTH CAROLINA

SURVEY DATE: MARCH-APRIL 2019	MAP DATE: 11/30/2020	FIELD BK 11	DRAWN BY: FLH	SCALE: 1" = 20'
----------------------------------	-------------------------	-------------	---------------	-----------------

I HEREBY STATE THAT TO THE BEST OF MY PROFESSIONAL KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREIN WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE STANDARDS OF PRACTICE MANUAL FOR SURVEYING IN SOUTH CAROLINA, MEETS OR EXCEEDS THE REQUIREMENTS FOR SOUTH CAROLINA, AND I HAVE NOT CONSIDERED THEREIN

PROJECT \ CLIENT NO.

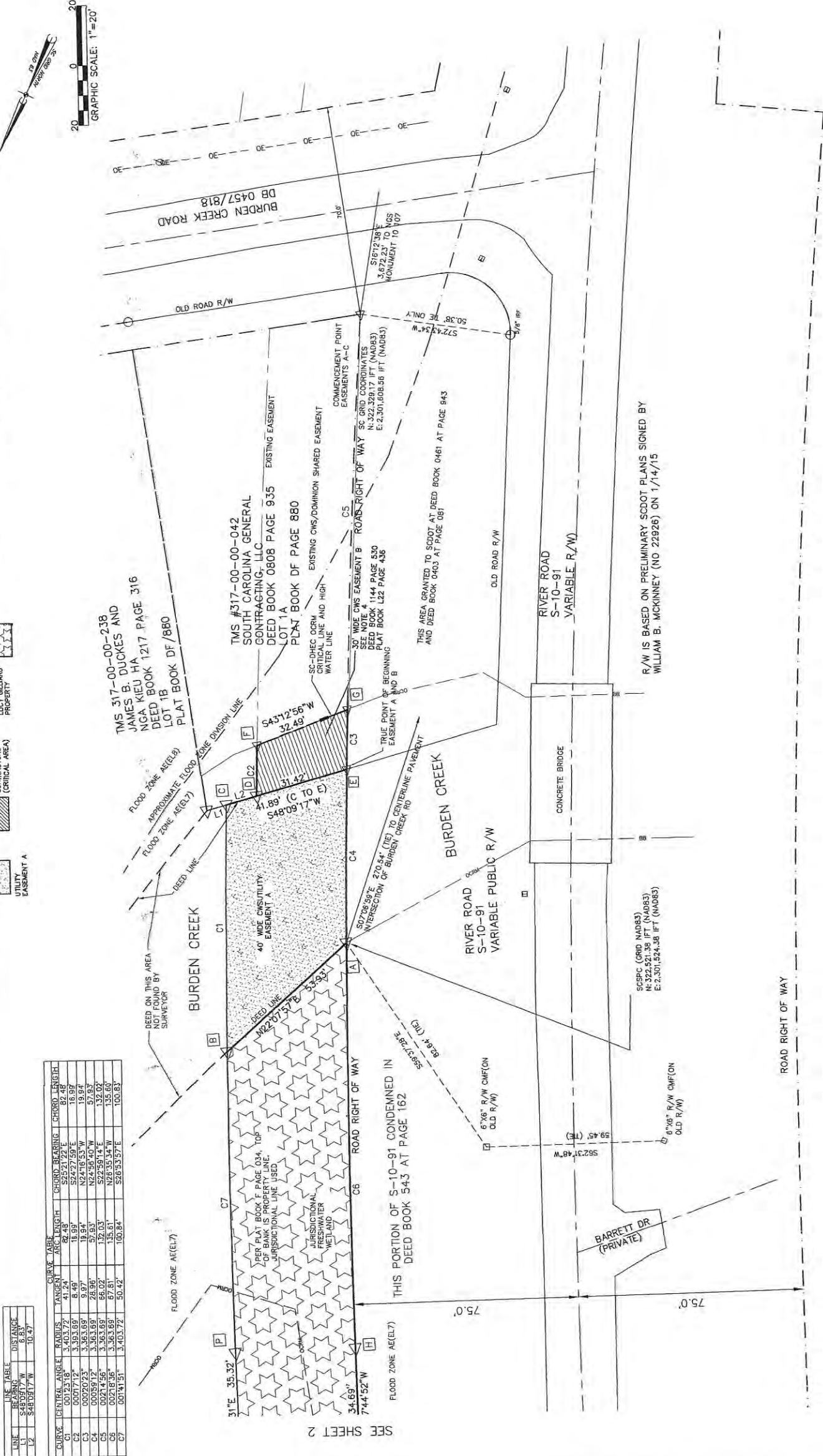
SHEET 1 OF 2

REDUCED 50%
SCALE 1"=40'

PARCEL OWNERSHIP INFORMATION

40' WIDE EASEMENT CWS UTILITY EASEMENT A	
TMS NOT ASSIGNED	
NO DEED FOUND FOR THIS AREA	
30' WIDE EASEMENT CWS UTILITY EASEMENT B	
TMS #317--00--00--042	
SOUTH CAROLINA GENERAL CONTRACTING, LLC	
DEED BOOK 0808 PAGE 935	

R/W IS BASED ON PRELIMINARY SCDOT PLANS SIGNED BY
WILLIAM B. MCKINNEY (NO. 22926) ON 1/14/15



LINE TABLE		
LINE	BEARING	DISTANCE
L1	S48°09'17" W	6.83'
L2	S48°09'17" W	10.47'

CURVE	CURVE DATA			CURVE TABLE			CHORD BEARING	CHORD LENGTH
	CENTRAL ANGLE	RADIUS	TANGENT	CENTRAL ANGLE	RADIUS	TANGENT		
C1	001°23'18"	3,403.72	41.24"	02°48'	5,925.57	56.96"	S92°57'16"E	16.99
C2	001°23'18"	3,393.68	8.49"	03°00'	5,915.53	16.99"	N24°16'53"W	19.94
C3	002°20'35"	3,363.69	68.92"	03°12'	5,905.50	19.94"	N24°36'40"W	57.93
C4	002°20'35"	3,353.65	68.92"	03°24'	5,895.46	57.93"	S22°59'14"E	132.02
C5	002°41'51"	3,363.69	67.81"	03°36'	5,885.43	135.60"	N26°35'34"W	100.83
C6	002°41'51"	3,353.67	50.42"	03°48'	5,875.39	100.83"	S26°35'57"E	100.83

AREA, TABLE PARCEL	SQ. FT.	ACRES
40' WIDE CWS EASEMENT A	2,809±	SQ. FT. 0.064
30' WIDE CWS EASEMENT B	554±	SQ. FT. 0.013
VARIABLE WIDTH CWS EASEMENT C	20,725±	SQ. FT. 0.476
TOTAL NEW EASEMENTS	24,099±	SQ. FT. 0.553

NO.	DATE	REVISION	BY
6	3/20/2024	SG ADMIN. DEPT COMMENTS, REMOVE SHARED WITH DOMINON	FLH
5	3/23/2022	ENGINEERING COMMENTS, REMOVE PERMANENT	FLH
4	6/2/2022	ENGINEERING COMMENTS, ENW TYPO ON PARCEL INFORMATION	FLH
3	9/1/2022	ADD SHEET 2, EASEMENT C, AND MINOR TEXT REVISIONS	FLH
2	6/22/2022	ENGINEER'S COMMENTS-CLARIFY LINES	FLH
1	7/22/2022	REVISE EASEMENT B UPDATE FEMA, REVISE TITLE	FLH

VICINITY MAP
NOT TO SCALE (NTS)



1. NORTH ORIENTATION BASED ON SOILS REDUCTIONS OF SITE CONTROL USING CELLULAR PHONE AND SURVEYOR'S BENCHMARK TO LOT
2. PHOTOSHOP SHOWN HEREON ARE HORIZONTAL GROUND DISTANCES USING INTERNATIONAL FEET (FT). ONLY CORNERS SHOWN WERE SURVEYED. OTHER DISTANCES AND BEARINGS TAKEN FROM RECORDS ABOVE THE MEAN HIGH WATER LINE.
3. THE BURDEN GREEN WITHIN THE EASEMENT AREA.
4. AREA A IS AN AREA BETWEEN THE SC DICO OAK LINE AND THE DEEDED PROPERTY LINE. IT IS INCLUDED SINCE THE S.D. WAS NOT PERFORMED FOR THIS EASEMENT PART SURVEY OF THIS PARCEL WAS NOT PERFORMED FOR THIS EASEMENT PART.
5. THIS PARCEL LIES IN FLOOD ZONE AE(EL7) AS DERIVED ON FEMA (FEDERAL EMERGENCY MANAGEMENT AGENCY) FIRM FLOOD INSURANCE RATE MAP NO. 1909C 559 WHICH SHOWS THIS PARCEL AS BEING IN A FLOOD ZONE. IT IS SCALED THERE FROM WITH IMPROVEMENTS MAY NOT BE SHOWN.
6. TITLE REPORT NOT SUPPLIED. THIS PARCEL SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORDED. THIS PARCEL SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORDED. THIS PARCEL SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORDED.
7. OFFICE.
8. EASEMENTS B AND C SHOWN HEREON WERE ACQUIRED AS SHARED EASEMENTS BETWEEN TRACT A AND TRACT B. THE CONNECTION OF THE SC DEPARTMENT OF TRANSPORTATION TO THE SHARED REFERENCE HAS BEEN REMOVED.
9. THIS SHEET IS PART OF A MULTI-PAGE DOCUMENT AND IS NOT TO BE CONSIDERED COMPLETE WITHOUT ALL SHEETS.
10. THE SURVEYOR'S SEAL AND SIGNATURE MUST BE PRESENT AND UNLESS IT BEARS THE ORIGINAL RAISED SEAL AND SIGNATURE OF THE SURVEYOR.

LEGEND

POINT LABEL FOR NEW EASEMENT POINTS		COMPUTED POINT		IRON ROD OR PIPE FOUND OR SET	
	WATER METER		IRON ROD FOUND		IRON ROD FOUND
	LAMP POST		IRON PIPE FOUND		IRON PIPE FOUND
	SEWER CLEANOUT		PIPE PK (MAG) NAL FOUND		PIPE PK (MAG) NAL FOUND
	FIRE HYDRANT		R/W RIGHT OF WAY		R/W RIGHT OF WAY
	WATER VALVE		CONCRETE MONUMENT FOUND		CONCRETE MONUMENT FOUND
	GASLINE MARKER		NEW EASEMENT LINES		
			BOUNDARY OR R/W LINE		
			TEMPORARY EASEMENT		
			ADJACENT PROPERTY LINE		
			SG-DELEG DOWN LINE		
			PAVEMENT LINE		
			UTILITY EASEMENT B		
			EASEMENT C		
			CONTRACTORS (CIRCULAR AREA)		
			UTILITY EASEMENT C		
			EASEMENT D		
			CONTRACTORS (CIRCULAR AREA)		
			UTILITY EASEMENT D		
			EASEMENT E		
			CONTRACTORS (CIRCULAR AREA)		
			UTILITY EASEMENT E		
			EASEMENT F		
			CONTRACTORS (CIRCULAR AREA)		
			UTILITY EASEMENT F		
			EASEMENT G		
			CONTRACTORS (CIRCULAR AREA)		
			UTILITY EASEMENT G		
			EASEMENT H		
			CONTRACTORS (CIRCULAR AREA)		
			UTILITY EASEMENT H		
			EASEMENT I		
			CONTRACTORS (CIRCULAR AREA)		
			UTILITY EASEMENT I		
			EASEMENT J		
			CONTRACTORS (CIRCULAR AREA)		
			UTILITY EASEMENT J		
			EASEMENT K		
			CONTRACTORS (CIRCULAR AREA)		
			UTILITY EASEMENT K		
			EASEMENT L		
			CONTRACTORS (CIRCULAR AREA)		
			UTILITY EASEMENT L		
			EASEMENT M		
			CONTRACTORS (CIRCULAR AREA)		
			UTILITY EASEMENT M		
			EASEMENT N		
			CONTRACTORS (CIRCULAR AREA)		
			UTILITY EASEMENT N		
			EASEMENT O		
			CONTRACTORS (CIRCULAR AREA)		
			UTILITY EASEMENT O		
			EASEMENT P		
			CONTRACTORS (CIRCULAR AREA)		
			UTILITY EASEMENT P		
			EASEMENT Q		
			CONTRACTORS (CIRCULAR AREA)		
			UTILITY EASEMENT Q		
			EASEMENT R		

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF March 26, 2024

REGULAR SESSION
ITEM NUMBER 5

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Real Property Conveyance

Controlling Agency: Department of Administration (Admin)
Acreage: 0.59± acres and a 51,354 square foot office building
Location: 1430 Senate Street, Columbia
County: Richland
Purpose: To transfer real property
Price/Transferred To: University of South Carolina (USC)/Appraised value of \$2,200,000
Disposition of Proceeds: To be retained by Admin pursuant to Proviso 93.8

USC currently occupies 75% of the facility, with Admin utilizing the remaining space for State Fleet Management. The University needs the additional space to accommodate support staff and Admin has vacant state space to which State Fleet Management will be relocated.

AUTHORITY ACTION REQUESTED:

Approve the real property conveyance of 1430 Senate Street in Columbia to the University of South Carolina for the appraised value of \$2,200,000, as recommended by the Department of Administration, Facilities Management and Property Services.

ATTACHMENTS:

Agenda item worksheet and attachment

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: March 26, 2024

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster

Ashlie Lancaster, Director

2. Subject: Real Property Conveyance

3. Summary Background Information:

Controlling Agency:	Department of Administration (Admin)
Acreage:	0.59± acres and a 51,354 square foot office building
Location:	1430 Senate Street, Columbia
County:	Richland
Purpose:	To transfer real property
Price/Transferred To:	University of South Carolina (USC)/Appraised value of \$2,200,000
Disposition of Proceeds:	To be retained by Admin pursuant to Proviso 93.8

USC currently occupies 75% of the facility, with Admin utilizing the remaining space for State Fleet Management. The University needs the additional space to accommodate support staff and Admin has vacant state space to which State Fleet Management will be relocated.

4. What is the Authority asked to do? Approve the real property conveyance of 1430 Senate Street in Columbia to USC for the appraised value of \$2,200,000.

5. What is recommendation of the submitting agency involved? Approve the real property conveyance of 1430 Senate Street in Columbia to USC for the appraised value of \$2,200,000.

6. Private Participant Disclosure – Check one:

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

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

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

7. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Office Name: _____

8. List of Supporting Documents:

- a) SC Code of Laws Section 1-11-65
- b) 2023-2024 Appropriations Bill H4000, Part 1B, Proviso 93.8
- c) Plat

SOUTH CAROLINA CODE OF LAWS

SECTION 1-11-65. Approval and recordation of real property transactions involving governmental bodies.

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the Department of Administration for transactions of one million dollars or less. For transactions of more than one million dollars, approval of the State Fiscal Accountability Authority is required in lieu of the department, although the recording will be with the department. Upon approval of the transaction, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the department's and authority's approval of the transaction as required. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The department and authority may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution.

HISTORY: 1985 Act No. 201, Part II, Section 5; 1989 Act No. 26, Section 1; 1997 Act No. 153, Section 2; 2014 Act No. 121 (S.22), Pt V, Section 7.C, eff July 1, 2015.

Editor's Note

Except for designation of the paragraphs, this section and former Section 1-11-57 were identical. For consistency, Section 1-11-57 is treated as an amendment to this section.

Effect of Amendment

2014 Act No. 121, Section 7.C, rewrote subsection (A).

South Carolina General Assembly

125th Session, 2023-2024

H. 4300

General Appropriations Bill for fiscal year 2023-2024

As Ratified by the General Assembly

PART IB

OPERATION OF STATE GOVERNMENT

SECTION 93 – D500-DEPARTMENT OF ADMINISTRATION

93.8. (DOA: Sale of Surplus Real Property) Up to fifty percent of the proceeds, net of selling expenses, from the sale of surplus real properties shall be retained by the Department of Administration and used for the deferred maintenance of state-owned buildings. The remaining fifty percent of the net proceeds shall be returned to the agency that the property is owned by, under the control of, or assigned to and shall be used by that agency for nonrecurring purposes. This provision applies to all state agencies and departments except: institutions of higher learning; the Public Service Authority; the Ports Authority; the MUSC Hospital Authority; the Myrtle Beach Air Force Redevelopment Authority; the Department of Transportation; the Columbia State Farmers Market; the Department of Agriculture's Columbia Metrology Lab building and property; the Charleston Naval Complex Redevelopment Authority; the Department of Commerce's Division of Public Railways; the Midlands Technical College Enterprise Campus Authority; the Trident Technical College Enterprise Campus Authority; the Commissioners residence at the Department of Corrections and the Educational Television Commission's Key Road property.

The Educational Television Commission shall be authorized to retain the net proceeds from the sale of its property on Key Road, and such proceeds may be used for the renovation of the ETV Telecommunications Center and other maintenance and operating expenses. If it is determined that sufficient net proceeds are not to be derived from the sale of its property on Key Road to cover the cost of all renovations of the Telecommunications Center, the property on Key Road shall not be sold. Any proposed sale hereunder shall, prior to said sale, be submitted to the Department of Administration for approval as being in compliance with the requirements of this subsection.

The Department of Corrections shall be authorized to retain the net proceeds from the sale of the residence provided for the Commissioner of the Department of Corrections and use such proceeds for deferred maintenance needs at the Department of Corrections.

The Forestry Commission shall be authorized to retain the net proceeds from the sale of surplus land for use in firefighting operations and replacement of firefighting equipment.

The Department of Natural Resources shall be authorized to retain the net proceeds from the sale of existing offices originally purchased with a federal grant or with restricted revenue from hunting and fishing license sales for the improvement, consolidation, and/or establishment of regional offices and related facilities.

The Department of Agriculture, the Educational Television Commission, the Department of Corrections, the Department of Natural Resources, and the Forestry Commission shall annually submit a report, within sixty days after the close of the fiscal year, to the Senate Finance Committee and the House Ways and Means Committee on the status of the sale of the identified property and a detailed accounting on the expenditure of funds resulting from such sale.

This provision is comprehensive and supersedes any conflicting provisions concerning disposition of state-owned real property whether in permanent law, temporary law or by provision elsewhere in this act.

Any unused portion of these funds may be carried forward into succeeding fiscal years and used for the same purposes.

AGENCY: Division of Procurement Services

SUBJECT: Exempt South Carolina Aeronautics Commission's (Aeronautics) acquisition of a used aircraft from the purchasing procedures of the Procurement Code

Aeronautics' aircraft fleet currently consists of two (2) Beechcraft King Airs. N1SC is a 1990 King Air 350 and N2SC is a 1983 King Air 90. While both aircraft are operational, the advancing age, increasing maintenance requirements and age of avionics (instrumentation) dictate that improvements in the state fleet are warranted. As part of the FY 24 budget, Aeronautics requested \$10 million dollars to purchase newer aircraft to modernize the fleet. Through FY 24 State Budget Proviso 118.19(B)(58), this request was granted.

Aeronautics seeks to replace the 1990 King Air 350 with a newer King Air 350i. Market research indicates that a 2017 - 2020 era aircraft can be purchased for approximately \$6.5 million.

Aeronautics believes purchase of a King Air 350i, rather than switching to a different aircraft type offers numerous advantages, such as:

- Past studies show that this class aircraft meets 98% of its usage needs.
- Pilots are already trained and rated to fly this aircraft, meaning minimal downtime of the Aeronautics flight department.
- Aeronautics mechanics have been working on the King Air model for years, meaning very little (if any) additional training will be needed.

Aeronautics staff have been searching for suitable replacement candidates in the current used aircraft marketplace. What has become apparent is that the aircraft market is extremely active, with aircraft frequently going under sales contract in under two weeks (often faster). The ability to act quickly once a suitable candidate has been identified is critical. The purchasing procedures of the South Carolina Consolidated Procurement Code are not conducive to the acquisition of an aircraft in this market. Before any purchase, however, Aeronautics will hire a qualified aircraft appraiser who will evaluate the aircraft and confirm the value.

AUTHORITY ACTION REQUESTED:

Under authority of S.C. Code Section 11-35-710, exempt Aeronautics from purchasing a used aircraft as set forth above through the Chief Procurement Officer's area of responsibility and exempt Aeronautics' acquisition of this used aircraft from the purchasing procedures of the Procurement Code, as recommended by the Division of Procurement Services.

ATTACHMENTS:

Agenda item worksheet and attachment

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: 3/26/2024

Regular Agenda

1. Submitted by:

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


John St. C. White, Materials Management Officer

2. Subject: Other-Specify

Exempt South Carolina Aeronautics Commission's (Aeronautics) acquisition of a used aircraft from the Chief Procurement Officer's area of responsibility and from the purchasing procedures of the Procurement Code.

3. Summary and Background Information:

Aeronautics' aircraft fleet currently consists of two (2) Beechcraft King Airs. N1SC is a 1990 King Air 350 and N2SC is a 1983 King Air 90. While both aircraft are operational, the advancing age, increasing maintenance requirements and age of avionics (instrumentation) dictate that improvements in the state fleet are warranted. As part of the FY 24 budget, Aeronautics requested \$10 million dollars to purchase newer aircraft to modernize the fleet. Through FY 24 State Budget Proviso 118.19(B)(58), this request was granted.

Aeronautics seeks to replace the 1990 King Air 350 with a newer King Air 350i. Market research indicates that a 2017 - 2020 era aircraft can be purchased for approximately \$6.5 million.

Aeronautics believes purchase of a King Air 350i, rather than switching to a different aircraft type offers numerous advantages, such as:

- Past studies show that this class aircraft meets 98% of its usage needs.
- Pilots are already trained and rated to fly this aircraft, meaning minimal downtime of the Aeronautics flight department.
- Aeronautics mechanics have been working on the King Air model for years, meaning very little (if any) additional training will be needed.

Aeronautics staff have been searching for suitable replacement candidates in the current used aircraft marketplace. What has become apparent is that the aircraft market is extremely active, with aircraft frequently going under sales contract in under two weeks (often faster). The ability to act quickly once a suitable candidate has been identified is critical. The purchasing procedures of the South Carolina Consolidated Procurement Code are not conducive to the acquisition of an aircraft in this market. Before any purchase, however, Aeronautics will hire a qualified aircraft appraiser who will evaluate the aircraft and confirm the value.

4. What is the Authority asked to do? Under authority of S.C. Code Section 11-35-710, exempt Aeronautics from purchasing a used aircraft as set forth above through the Chief Procurement Officer's area of responsibility and exempt Aeronautics' acquisition of this used aircraft from the purchasing procedures of the Procurement Code.

5. What is recommendation of the submitting agency involved? Grant Aeronautics' requested exemption as set forth in item four above.

6. Private Participant Disclosure – Check one:

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

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

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

7. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Office Name: _____

8. List of Supporting Documents:

A - Sections 11-35-710

B - Request from the South Carolina Aeronautics Commission

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

SECTION 11-35-710. Exemptions.

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

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

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

(3) South Carolina State Ports Authority;

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

(5) South Carolina Public Service Authority;

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

(7) livestock, feed, and veterinary supplies;

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

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

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

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

(12) South Carolina Research Authority;

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

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

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

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



2553 Airport Boulevard
West Columbia, SC 29170
(803) 896-6262
www.scaeronautics.com

Henry D. McMaster
GOVERNOR

Gary W. Siegfried
EXECUTIVE DIRECTOR

Aeronautics Commission

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Charles "Doug" Barnes
DISTRICT 5

Marco Cavazzoni
DISTRICT 6

Christopher Bethea
DISTRICT 7

February 27, 2024

Mr. John White, PE
Material Management Officer and State Engineer
Division of Procurement Services,
SC State Fiscal Accountability Authority
1201 Main Street, Suite 600
Columbia, SC 29201

Dear Mr. White

As you are aware, the South Carolina Aeronautics Commission is working on replacement of the two airplanes in our state fleet.

As part of this effort, I am reaching out to you to request an exemption from State Procurement Code. The purpose of this letter is to provide background and reasoning for this request and to inform you of how Aeronautics intends to handle this process with full transparency and in a method that uses taxpayer dollars as efficiently as possible.

Background

The South Carolina Aeronautics Commission (Aeronautics) aircraft fleet currently consists of two (2) Beechcraft King Airs. N1SC is a 1990 King Air 350 and N2SC is a 1983 King Air 90. These aircraft are used for the transportation of state agencies, members of the General Assembly and executive branch personnel.

While both aircraft are operational, the advancing age, increasing maintenance requirements and age of avionics (instrumentation) indicated to us that it was time to replace these aircraft.

Prior to making the funding request to legislature, Aeronautics was asked to conduct a study on the cost and benefits of operating the state fleet. This study was initially completed in 2014 and then updated in 2020. Both studies concluded state aircraft were beneficial to the official business of our legislators and other state agencies, and that small turboprop aircraft such as the King Air meets the needs of approximately 98% of the flights that the Agency makes.

Aeronautics flight department staff researched the aircraft marketplace to establish a potential methodology for replacing the state fleet, whether it be with new aircraft or with used. What this effort suggested was that significant savings could be realized by purchasing a 3–7-year-old, low use (less than 500 hours) aircraft.

With this information, Aeronautics requested \$10M to purchase used aircraft as part of the FY 24 State Budget, which was granted through Proviso 118.19(B)(58).

After the budget was approved, Aeronautics formed a subcommittee to reexamine aircraft usage, verify that the information from the 2020 study was still correct and establish a formal strategy for replacement of the fleet. The subcommittee concluded that aircraft missions have not changed and that the type of aircraft currently operating fits the needs of State operations on a day-to-day basis.

Aeronautics researched purchase of a new King Air 360 (the newest model in this airframe). In fact, Textron, the manufacturer of the King Air, traveled to Columbia with a King Air 360 so that the flight department and members of the selection committee could view the aircraft. Conversations with Textron representatives revealed that the cost for a new aircraft would be over \$10 million dollars, and delivery would take 2 to 3 years.

With this information, the subcommittee recommended that the most efficient use of taxpayers' dollars, and most expedient way to purchase a replacement aircraft would be to replace the 1990 King Air 350 with a newer King Air 350i. Market research indicates that a 2017 - 2020 era aircraft can be purchased for approximately \$6.5 million.

After the first aircraft has been purchased, Aeronautics recommends that the two existing aircraft be sold and the proceeds of the sale, along with any money remaining from purchase of the first aircraft, be used to purchase a second aircraft. Aeronautics staff estimates that the sale of the two aircraft could bring \$3.5 to \$4.2 million. This would result in approximately \$7 million to purchase a second aircraft, type to be determined and made part of a future request to JBRC and SFAA.

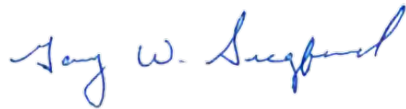
Request

Aeronautics staff have been searching for suitable replacement candidates in the current used aircraft marketplace. What has become apparent is that the aircraft market is extremely active, with aircraft frequently going under sales contract in under two weeks (often faster). The ability to act quickly once a suitable aircraft has been identified is critical. Prior to any purchase, however, Aeronautics intends to hire a qualified aircraft appraiser who will evaluate potential aircraft and confirm the value.

To act quickly on the process described above, Aeronautics requests an exemption from State Procurement Code for this first aircraft acquisition. After Aeronautics completes the first acquisition, the aircraft subcommittee will reconvene to evaluate the second aircraft acquisition. Aeronautics may ask for another exemption from procurement code at that time, but that would be subject of a future request.

Thank you for your help and consultation as we have been working through this effort. We hope this explanation is clear, but please contact me if you have questions about this request.

Sincerely,

A handwritten signature in blue ink, reading "Gary W. Siegfried". The signature is fluid and cursive, with the first name "Gary" and last name "Siegfried" clearly legible, and "W." as a small initial in the middle.

Gary W. Siegfried, PE
Executive Director

AGENCY: South Carolina Aeronautics Commission

SUBJECT: South Carolina Aeronautics Commission Airplane Purchase

Code Section 1-11-405 requires approval before an aircraft may be purchased, leased, or lease-purchased for more than a thirty-day period. The South Carolina Aeronautics Commission (“Aeronautics”) requests approval to purchase an aircraft to serve the transportation needs of state agencies, members of the General Assembly and executive branch personnel.

Aeronautics’ existing fleet of aircraft consists of a 1990 King Air 350 and a 1983 King Air 90. While currently operational, Aeronautics has determined that these aircraft need to be replaced due to the increasing maintenance requirements and the age of the avionics (instrumentation). 2023 Proviso 118.19(B)(58) provides Aeronautics nonrecurring funding in an amount of \$10 million for aircraft replacement.

Aeronautics has not yet made an offer for a specific plane but has examined aircraft usage and determined the King Air type of aircraft best fits the day-to-day operations of the State. Market research indicates that the most efficient use of taxpayers’ dollars would be to replace the 1990 King Air 350 with a 2017-2020 era King Air 350i, which can be purchased for approximately \$6.5 million. Upon receiving approval, Aeronautics intends to hire a qualified aircraft appraiser who will evaluate aircrafts available for purchase and confirm the value. The request for the initial acquisition was reviewed favorably by JBRC at its January 24, 2024 meeting.

After the first aircraft is purchased, the two existing aircraft will be sold and the proceeds of the sale, along with any money remaining from the purchase of the first aircraft, will be used to purchase a second aircraft. Aeronautics staff estimates that the sale of the two aircraft will bring \$3.5 to \$4.2 million. This will result in approximately \$7 million to purchase a second aircraft, type to be determined and made part of a future request to the State Fiscal Accountability Authority and Joint Bond Review Committee.

AUTHORITY ACTION REQUESTED:

Authorize the South Carolina Aeronautics Commission to submit offers, make deposits, conduct due diligence and proceed with a purchase of an initial replacement aircraft.

ATTACHMENTS:

1. SC Code 1-11-405
2. 2023 Proviso 118.19(B)(58)
3. Agenda Item Worksheet
4. King Air 350i marketing brochure
5. January 24, 2024 Letter of the Joint Bond Review Committee

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

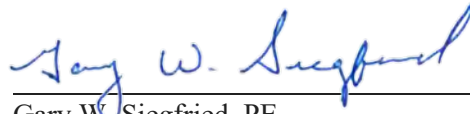
Meeting Scheduled for: March 26, 2024

Regular Agenda

1. Submitted By:

(a) Agency: SC Aeronautics

(b) Authorized Official Signature:



Gary W. Siegfried, PE

Executive Director, SC Aeronautics

2. Subject:

South Carolina Aeronautics – Aircraft Fleet Modernization

3. Summary Background Information:

The South Carolina Aeronautics Commission (Aeronautics) Aircraft fleet currently consists of two (2) Beechcraft King Airs. N1SC is a 1990 King Air 350 and N2SC is a 1983 King Air 90. These aircraft are used for the transportation of state agencies, members of the General Assembly and executive branch personnel.

While both aircraft are operational, the advancing age, increasing maintenance requirements and age of avionics (instrumentation) dictated that improvements in the state fleet was warranted. As part of the FY 24 budget, Aeronautics requested \$10 million dollars to purchase newer aircraft to modernize the fleet. Through FY 24 State Budget Proviso 118.19(B)(58), this request was granted.

In 2014, Aeronautics was asked to conduct a study on the cost and benefits of operating the state fleet. This study was updated in 2020. Both studies concluded that Agency costs were well below market rate for aircraft operations and that the fleet was beneficial in conducting state business. These studies also looked at historical aircraft use and concluded that small turboprop aircraft such as the King Air meets the needs of approximately 98% of the flights that the Agency makes.

In August 2023 Aeronautics formed a subcommittee to reexamine aircraft usage, verify that the information from the 2020 study was still correct and formulate a strategy for replacement of the fleet.

The subcommittee concluded that aircraft missions have not changed and that the type of aircraft currently operating fits the needs of State operations on a day-to-day basis.

Aeronautics researched purchase of a new King Air 360 (the newest model in this airframe). In fact, Textron, the manufacturer of the King Air, traveled to Columbia with a King Air 360 so that the flight department and members of the selection committee could view the aircraft. Conversations with Textron representatives revealed that the cost for a new aircraft would be over \$10 million dollars, and delivery would take 2 to 3 years.

With this information, the subcommittee recommended that the most efficient use of taxpayers' dollars would be to replace the 1990 King Air 350 with a newer King Air 350i. Market research indicates that a 2017 - 2020 era aircraft can be purchased for approximately \$6.5 million.

Purchase of a King Air 350i, rather than switching to a different aircraft type offers numerous advantages, such as:

- Past studies show that this class aircraft meets 98% of our usage needs.
- Pilots are already trained and rated to fly this aircraft, meaning minimal downtime of the Aeronautics flight department.
- Aeronautics mechanics have been working on the King Air model for years, meaning very little (if any) additional training will be needed.

After the first aircraft has been purchased, the two existing aircraft will be sold and the proceeds of the sale, along with any money remaining from purchase of the first aircraft, will be used to purchase a second aircraft. Aeronautics staff estimates that the sale of the two aircraft will bring \$3.5 to \$4.2 million. This will result in approximately \$7 million to purchase a second aircraft, type to be determined and made part of a future request to JBRC and SFAA.

Aeronautics staff have been searching for suitable replacement candidates in the current used aircraft marketplace. What has become apparent is that the aircraft market is extremely active, with aircraft frequently going under sales contract in under two weeks (often faster). The ability to act quickly once a suitable aircraft has been identified is critical. Prior to any purchase, however, Aeronautics intends to hire a qualified aircraft appraiser who will evaluate the aircraft and confirm the value.

This matter received a favorable review from the Joint Bond Review Committee on January 24th, 2024.

What is SFAA asked to do?

Section 1-11-405 of the South Carolina Code provides that no aircraft may be purchased, leased, or lease-purchased for more than a thirty-day period by any state agency without the prior authorization of the Department of Administration or the State Fiscal Accountability Authority, as appropriate, and the Joint Bond Review Committee.

The Aeronautics Commission requests authorization to submit offers; make deposits; conduct due diligence; and proceed with a purchase of the initial replacement aircraft; all in accordance with the plan as described herein. The Commission has committed to report its findings and selection to the Committee following acquisition of a suitable replacement aircraft.

To ensure full transparency and that the price offered is fair and reasonable, Aeronautics intends to hire a qualified aircraft appraiser who will evaluate the aircraft and confirm the value.

4. What is the recommendation of the Department of Administration?

The Department of Administration is aware of FY 24 Budget Proviso 118.19(B)(58) allocating \$10 million for fleet modernization and concurs with strategy described herein.

5. List of Supporting Documents:

- (a) Section 1-11-405 of the South Carolina Code of Laws
- (b) FY 24 Budget Proviso 118.19(B)(58)
- (c) King Air 350i marketing brochure

Part 1B SECTION 118 - X910 - STATEWIDE REVENUE

2023-2024 Appropriation Act

SECTION 118 – X910 – STATEWIDE REVENUE

118.19. (SR: Nonrecurring Revenue) (A) The source of revenue appropriated in subsection (B) is nonrecurring revenue generated from the following sources:

(B) The appropriations in this provision are listed in priority order. Item (1) must be funded first and each remaining item must be fully funded before any funds are allocated to the next item. Provided, however, that any individual item may be partially funded in the order in which it appears to the extent that revenues are available.

(58) U300-Division of Aeronautics

(a) Aircraft Replacement \$ 10,000,000;

(b) Capital Investing for the Statewide Airport System \$ 20,000,000;

(c) Facility Maintenance \$ 300,000;

Title 1 - Administration of the Government

CHAPTER 11

Department of Administration

ARTICLE 1

General Provisions

SECTION 1-11-405. Aircraft purchase, lease, or lease-purchase by state agency.

No aircraft may be purchased, leased, or lease-purchased for more than a thirty-day period by any state agency without the prior authorization of the Department of Administration or the State Fiscal Accountability Authority, as appropriate, and the Joint Bond Review Committee.

HISTORY: 1995 Act No. 145, Part II, Section 44.

Code Commissioner's Note

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



KING AIR 350i

Beechcraft
TEXTRON AVIATION



YOUR BUSINESS HEAVY LIFTER

The Beechcraft® King Air® 350i surpasses its predecessor's high-caliber performance with more payload capability and range, a quieter interior with standard Wi-Fi, and Pro Line Fusion™ avionics with full touch-screen simplicity. The King Air is the world's most popular business turboprop aircraft – a title never simply granted, but earned again and again with continuous enhancement over five decades. The King Air 350i. True to its legacy of innovation.



QUIET COMFORT AND PRODUCTIVITY

The spacious King Air 350i cabin, with standard seating for up to nine passengers, creates an environment with added head and shoulder room for comfort throughout. New acoustic technologies create the quietest turboprop experience available. Work and relax in double-club leather seats while staying connected in flight with high-speed Wi-Fi standard for maximum productivity.

A NEW CLASS OF AMENITIES

The King Air 350i cabin provides more capability and amenities than you'll find in lesser single-engine turboprops and in some aircraft costing millions more.

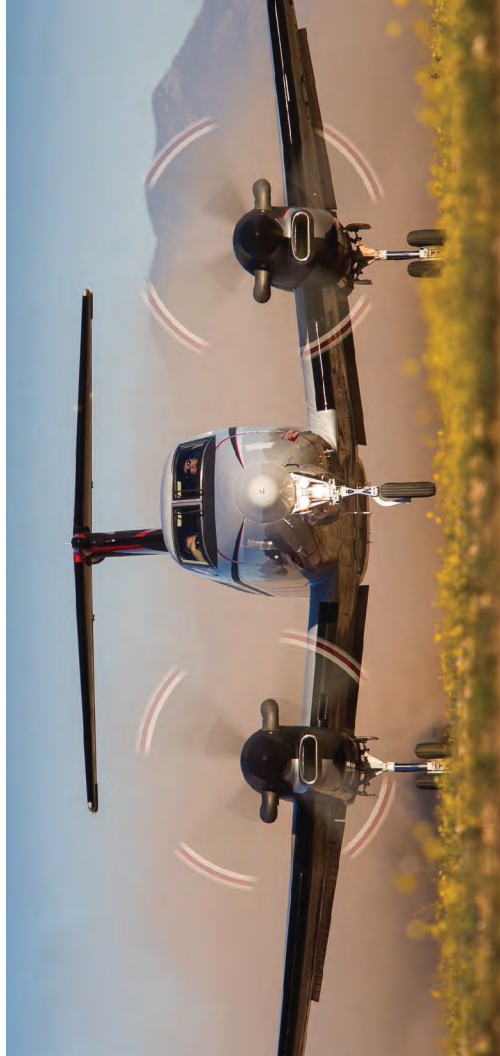


Managing comfort and productivity in flight is easy with a wide range of cabin features. Pull-out work tables, a built-in refreshment center, electronically dimmable windows, standard power outlets, a private aft lavatory and optional vanity cabinet and heated seats all contribute to getting the most out of your flights.



KING AIR 350 VERSATILITY

Versatility of the King Air 350 is unmatched. It has a pedigree of more than 7000 fielded King Air aircraft that are equally well suited for operating anywhere from the busiest, most highly controlled airports to unimproved dirt, gravel or grass. The King Air exceeds expectations in a traditional corporate transport role, a cargo role or, more typically, a combination of both.



THE CABIN CONFORMS TO THE MISSION

The large King Air 350 cabin can easily be configured to accommodate a variety of roles, from air ambulance humanitarian missions to carrying cargo to corporate transport. The chairs and cabinets are attached to floor-mounted seat tracks for easy reconfiguration. An optional large cargo door 49 inches wide by 52 inches high (124 cm x 132 cm) accommodates oversized loads.





CONFIDENCE OF SIMPLICITY

Pro Line Fusion™ is an intuitive touch-screen flight deck that simplifies how we aviate, navigate and communicate. Featuring standard synthetic vision and enhanced situational awareness, there is no need to fly through FMS menus. It's where the power of simplicity meets cutting-edge performance, durability and reliability.



ENHANCED FLIGHT PLANNING

Enjoy direct access to critical information such as waypoints, routing, weather and all flight planning tools. Pro Line Fusion allows for heads-up flying rather than searching through menus and pages of flight data.



QUICK TO CONFIGURE

Setup of flight displays is now simplified with the new Pro Line Fusion Interface. Flight information is quickly organized with fingertip touches and swipes.



BRING IT ALL

Never compromise range or payload. The King Air 350i allows you to load up with fuel, the pilot, and carry seven passengers and their bags. With more than 5,000 pounds (2,267 kg) of useful load, there is no need to leave anyone or anything behind.

KING AIR 350i SPECIFICATIONS

PERFORMANCE

Takeoff Field Length (MTOW)	3,300 ft (1,006 m)
Max Range (Ferry, LRC)	1,806 nm (3,345 km)
Max Cruise Speed	312 kts (578 km/h)
Max Operating Altitude	35,000 ft (10,668 nm)

POWERPLANT

Manufacturer	Pratt & Whitney Canada
Model	(2) PT6A-60A
Power Output Each	1,050 shp (783 kW)

WEIGHTS

Max Takeoff Weight	15,000 lb (6,804 kg)
Basic Operating Weight (1 pilot)	9,955 lb (4,516 kg)
Useful Load	5,145 lb (2,334 kg)

INTERIOR DIMENSIONS

Cabin Height	4 ft 9 in (1.45 m)
Cabin Width	4 ft 6 in (1.37 m)
Cabin Length	19 ft 6 in (5.94 m)
Baggage Capacity	550 lb (249 kg)
Wing Lockers	600 lb (272 kg)

MAXIMUM OCCUPANTS

	11
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*Performance is based on standard conditions with zero wind. Field performance assumes a level, hard-surface, dry runway. Range is based on a ferry mission at LRC with NBAA IFR reserves.

Capital Improvements Joint Bond Review Committee

HARVEY S. PEELER, JR.
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CHAIRMAN

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F. RICHARD HARMON, JR.
DIRECTOR OF RESEARCH
SFAA LIAISON
803-212-6682

MILLER A. SMOAK
ADMINISTRATIVE ASSISTANT
803-212-6677
FAX: 803-212-6690

January 24, 2024

Mr. Gary W. Siegfried, PE
Executive Director
South Carolina Aeronautics Commission
2553 Airport Boulevard
West Columbia, South Carolina 29170

Dear Mr. Siegfried:

At its meeting today, the Joint Bond Review Committee reviewed and authorized a request by the South Carolina Aeronautics Commission to make an initial aircraft acquisition that will replace one of two aircraft presently comprising the state fleet. This initial acquisition will be funded by an appropriation of \$10 million designated for this purpose pursuant to Proviso 118.19(B)(58) of the Fiscal Year 2023-24 Appropriations Act.

The Commission has communicated its plan to acquire an additional replacement aircraft following this initial acquisition and subsequent sale of the existing aircraft comprising the state fleet. Acquisition of this additional replacement aircraft is subject to further review and authorization by the Committee.

The request for review and authorization was made pursuant to Section 1-11-405 of the South Carolina Code of Laws, which provides that no aircraft may be purchased, leased, or lease-purchased for more than a thirty-day period by any state agency without the prior authorization of the Department of Administration or the State Fiscal Accountability Authority, as appropriate, and the Joint Bond Review Committee.

Please advise if you need any further information.

Very truly yours,

F. Richard Harmon, Jr.
Director of Research

c: Mr. Grant Gillespie
Executive Director
State Fiscal Accountability Authority

AGENCY: Division of Procurement Services

SUBJECT: Request to Assign DHEC Procurement Certification to Successor Agencies
Department of Health and Environmental Control (DHEC).terminating June 30, 2024
Department of Public Health (DPH) established July 1, 2024
Department of Environmental Services (DES)..... established July 1, 2024

The S.C. Consolidated Procurement Code and ensuing Regulations (Code) authorize agencies to make direct procurements up to \$50,000 and to enter sole source and emergency procurement contracts with no dollar limitation. S.C. Code §§11-35-1210(1), 1560, and 1570, and Regulation 19-445.2000C (1). The Code authorizes the Authority to delegate additional procurement authority by assigning dollar limits below which an agency may make direct procurements not under term contracts. On May 23, 2023, the Authority authorized procurement Certification dollar limits for Department of Health and Environmental Control for three years ending May 23, 2026, as follows:

Certification \$ Limits

Drugs, Biological for Human use;	12,000,000 per commitment*
Contraceptives, Biochemicals, And Biochemical Research	
All Other Supplies and Services ¹	3,000,000 per commitment*
Information Technology ²	500,000 per commitment*
Construction Contract Award ³	100,000 per commitment*

* Total potential purchase commitment whether single year or multi-term contracts are used.

To support its mission, Department of Health and Environmental Control has 21 central procurement officers trained in the SC Procurement Code and agency purchasing procedures. The Agency currently has one of the largest purchasing volumes of any state agency issuing more than 5,000 purchase orders each year.

On May 19, 2023, Governor McMaster signed Senate Bill 399 / 2023 Act 60 into law. This Act dissolves Department of Health and Environmental Control and establishes two new successor agencies, Department of Public Health and Department of Environmental Services, effective July 1, 2024. The dissolution of Department of Health and Environmental Control and the creation of Department of Public Health and Department of Environmental Services will result in two large agencies with specialized and complex procurement requirements. For the two successor agencies to successfully execute their missions, they will require sufficient certification and staffing to meet their procurement needs on day one.

Per S.C. Code Ann. §11-35-1210, Department of Health and Environmental Control requests that the Authority authorize Department of Public Health and Department of Environmental Services to make direct procurements at the limits requested in item 4 below until May 23, 2026. Department of Health and Environmental Control has conducted an analysis of its recent relevant procurement activities to determine appropriate Certification amounts for the successor agencies as shown in the attached Department of Health and Environmental Control Request to Assign Procurement Certification to Successor Agencies.

AGENCY: Division of Procurement Services

SUBJECT: Request to Assign DHEC Procurement Certification to Successor Agencies
Department of Health and Environmental Control (DHEC).terminating June 30, 2024
Department of Public Health (DPH) established July 1, 2024
Department of Environmental Services (DES)..... established July 1, 2024

Department of Health and Environmental Control has recommended assigning current procurement staff to the successor agencies as shown in the attached Suggested Procurement Structure charts for each agency, based on their requisite knowledge, skills, and experience procuring the commodities and services specific to the new agencies. The recommended staff assignments ensure both of Department of Health and Environmental Control's successor agencies have capable procurement staff as demonstrated by Department of Health and Environmental Control's recent successful audit.

¹ Supplies and Services includes non-IT consulting services.

² Information Technology includes consultant assistance for any aspect of information technology, systems, and networks.

³ \$100,000 is the small procurement limit for construction. Up to this amount, the agency need only make a written request for written quotes and obtain three or more quotes.

AUTHORITY ACTION REQUESTED:

Authorize the Department of Public Health to make direct procurements at Department of Health and Environmental Control's current limits, for the remainder of Department of Health and Environmental Control's three-year term which expires on May 31, 2026:

Certification \$ Limits

Drugs, Biological for Human use;	12,000,000 per commitment*
Contraceptives, Biochemicals, And Biochemical Research	
All Other Supplies and Services ¹	3,000,000 per commitment*
Information Technology ²	500,000 per commitment*
Construction Contract Award ³	100,000 per commitment*

* Total potential purchase commitment whether single year or multi-term contracts are used.

AGENCY: Division of Procurement Services

SUBJECT: Request to Assign DHEC Procurement Certification to Successor Agencies
Department of Health and Environmental Control (DHEC).terminating June 30, 2024
Department of Public Health (DPH) established July 1, 2024
Department of Environmental Services (DES)..... established July 1, 2024

Authorize the Department of Environmental Services to make direct procurements at the following limits for the remainder of Department of Health and Environmental Control's three-year term which expires on May 31, 2026:

<u>Certification \$ Limits</u>	
Supplies and Services ¹	1,500,000 per commitment*
Information Technology ²	150,000 per commitment*
• Total potential purchase commitment whether single year or multi-term contracts are used.	

Additionally, require Department of Public Health and Department of Environmental Services to each take the following action:

Develop an internal Purchasing Card Manual and Procurement Procedures Manual, as required by SC Code Ann. §11-35-540(3), and submit both to Division of Procurement Services for approval by August 31, 2024.

¹ Supplies and Services includes non-IT consulting services.

² Information Technology includes consultant assistance for any aspect of information technology, systems, and networks.

³ \$100,000 is the small procurement limit for construction. Up to this amount, the agency need only make a written request for written quotes and obtain three or more quotes.

ATTACHMENTS:

Agenda item worksheet and attachment

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: March 26, 2024

Regular Agenda

1. Submitted by:

(a) Agency: **Division of Procurement Services (DPS)**

(b) Authorized Official Signature:


John St. C. White, Materials Management Officer

2. Subject: Request to Assign DHEC Procurement Certification to Successor Agencies

Department of Health and Environmental Control (DHEC)..... terminating June 30, 2024

Department of Public Health (DPH)..... established July 1, 2024

Department of Environmental Services (DES)..... established July 1, 2024

3. Summary and Background Information:

The S.C. Consolidated Procurement Code and ensuing Regulations (Code) authorize agencies to make direct procurements up to \$50,000 and to enter sole source and emergency procurement contracts with no dollar limitation. S.C. Code §§11-35-1210(1), 1560, and 1570, and Regulation 19-445.2000C (1). The Code authorizes the Authority to delegate additional procurement authority by assigning dollar limits below which an agency may make direct procurements not under term contracts. On May 23, 2023, the Authority authorized procurement Certification dollar limits for DHEC for three years ending May 23, 2026, as follows:

Certification \$ Limits

Drugs, Biological for Human use;12,000,000 per commitment*

Contraceptives, Biochemicals,
And Biochemical Research

All Other Supplies and Services¹3,000,000 per commitment*

Information Technology²500,000 per commitment*

Construction Contract Award³100,000 per commitment*

* Total potential purchase commitment whether single year or multi-term contracts are used.

To support its mission, DHEC has 21 central procurement officers trained in the SC Procurement Code and agency purchasing procedures. The Agency currently has one of the largest purchasing volumes of any state agency issuing more than 5,000 purchase orders each year.

On May 19, 2023, Governor McMaster signed Senate Bill 399 / 2023 Act 60 into law. This Act dissolves DHEC and establishes two new successor agencies, DPH and DES, effective July 1, 2024. The dissolution of DHEC and the creation of DPH and DES will result in two large agencies with specialized and complex procurement requirements. For the two successor agencies to successfully execute their missions, they will require sufficient certification and staffing to meet their procurement needs on day one.

Per S.C. Code Ann. §11-35-1210, DHEC requests that the Authority authorize DPH and DES to make direct procurements at the limits requested in item 4 below until May 23, 2026. DHEC has conducted an analysis of its recent relevant procurement activities to determine appropriate Certification amounts for the successor agencies as shown in the attached DHEC Request to Assign Procurement Certification to Successor Agencies.

DHEC has recommended assigning current procurement staff to the successor agencies as shown in the attached Suggested Procurement Structure charts for each agency, based on their requisite knowledge, skills, and experience procuring the commodities and services specific to the new agencies. The recommended staff assignments ensure both of DHEC's successor agencies have capable procurement staff as demonstrated by DHEC's recent successful audit.

¹ Supplies and Services includes non-IT consulting services.

² Information Technology includes consultant assistance for any aspect of information technology, systems, and networks.

³ \$100,000 is the small procurement limit for construction. Up to this amount, the agency need only make a written request for written quotes and obtain three or more quotes.

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

4. What is Authority asked to do?

Authorize the Department of Public Health to make direct procurements at DHEC's current limits, for the remainder of DHEC's three-year term which expires on May 23, 2026:

Certification \$ Limits

Drugs, Biological for Human use;12,000,000 per commitment*
Contraceptives, Biochemicals,
And Biochemical Research
All Other Supplies and Services¹3,000,000 per commitment*
Information Technology²500,000 per commitment*
Construction Contract Award³100,000 per commitment*

* Total potential purchase commitment whether single year or multi-term contracts are used.

Authorize the Department of Environmental Services to make direct procurements at the following limits for the remainder of DHEC's three-year term which expires on May 23, 2026:

Certification \$ Limits

Supplies and Services¹1,500,000 per commitment*
Information Technology²150,000 per commitment*

* Total potential purchase commitment whether single year or multi-term contracts are used.

Additionally, require DPH and DES to each take the following action:

Develop an internal Purchasing Card Manual and Procurement Procedures Manual, as required by SC Code Ann. §11-35-540(3), and submit both to DPS for approval by August 31, 2024.

¹ Supplies and Services includes non-IT consulting services.

² Information Technology includes consultant assistance for any aspect of information technology, systems, and networks.

³ \$100,000 is the small procurement limit for construction. Up to this amount, the agency need only make a written request for written quotes and obtain three or more quotes.

5. What is recommendation of the submitting agency involved?

Authorize the Department of Public Health and the Department Environmental Services to make direct procurements at the limits set forth above.

Require DPH and DES to each develop and obtain approval for internal Purchasing Card and Procurement Procedure Manuals as set forth above.

6. Private Participant Disclosure – Check one:

- ☒ No private participants will be known at the time the Authority considers this agenda item.
☐ A Private Participant Disclosure form has been attached for each private participant.
As referenced on the Disclosure forms, a private participant is a natural person or non-governmental legal entity which may directly benefit from, and is participating in or directly associated with, the requested approval.

7. Recommendation of other office(s):

1 (a) Authorized Signature: _____

(b) Office Name: _____

8. List of Supporting Documents:

- (a) DHEC Request to Assign Certification to Successor Agencies
- (b) DPH - Suggested Procurement Structure
- (c) DES – Suggested Procurement Structure
- (d) S.C. Code Ann. § 11-35-1210

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

DHEC Request to Assign Procurement Certification to Successor Agencies



INTRODUCTION

Following an audit of DHEC's Procurement practices and procedures conducted by the SFAA Division of Procurement Services (DPS), on May 23, 2023, the SFAA granted DHEC the following procurement certifications:

Procurement Areas	Certification Limits
Drugs, Biological for Human use; Contraceptives, Biochemicals, and Biochemical Research	*\$12,000,000 per commitment
All other Supplies and Services	\$ 3,000,000 per commitment
Information Technology	\$ 500,000 per commitment
Construction Contract Award	\$ 100,000 per commitment

** Total potential purchase commitment whether single year or multi-term contracts are used*

DHEC presently has one of the largest purchasing volumes of any state agency, issuing more than 5,000 purchase orders each year. To perform this work, DHEC has 21 central procurement officers who have been trained in the South Carolina Procurement Code and Regulations and agency procedures related to purchasing.

On May 19, 2023, Governor Henry McMaster signed Senate Bill 399 (S.399) / Act 60 into law. Act 60 amends Section 44-1-20 of the South Carolina Code of Laws, relating to the Department of Health and Environmental Control, to eliminate the Department of Health and Environmental Control and to take a number of actions with the functions currently assigned to DHEC. This includes the creation of a Department of Public Health to assume most of the health-related functions of DHEC and the creation of a Department of Environmental Services to assume most of the environmental functions of DHEC. This Act takes effect July 1, 2024.

This legislative action creates the need to establish reasonable and prudent certification limits for the two successor agencies, the Department of Public Health and the Department of Environmental Services. SC Code Ann. §11-35-1210 provides that governmental bodies may make purchases up to \$50,000 in value and that SFAA may assign certification limits above this limit following an audit by and recommendation of the Division of Procurement Services (DPS). With two new agencies, there is nothing to audit beyond the just recently audited records of DHEC. However, a lack of Certification by the two new agencies would create obvious problems if the new agencies were dependent on DPS for their purchasing needs.

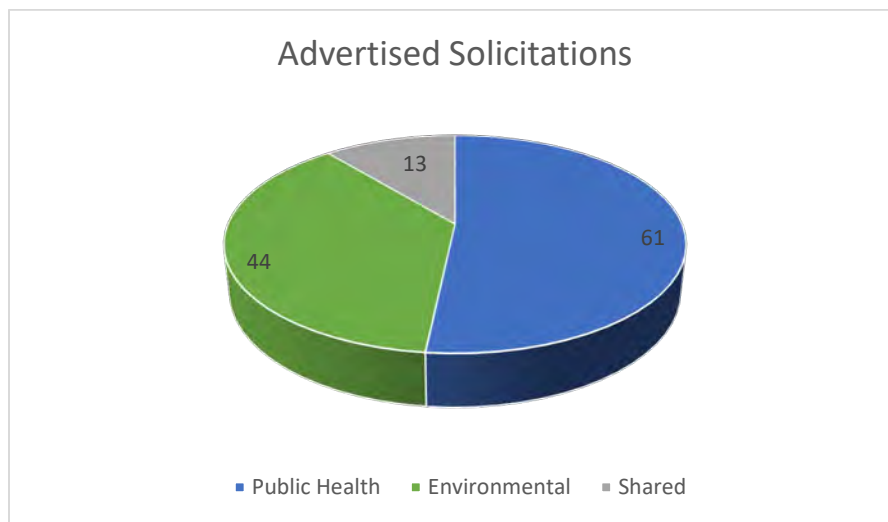
All current trained and experienced DHEC Procurement staff has been divided proportionally between the two successor agencies with effort made to match key procurement officers to a successor agency based on his or her experience and familiarity with commodities and activities of the program areas.

ANALYSIS

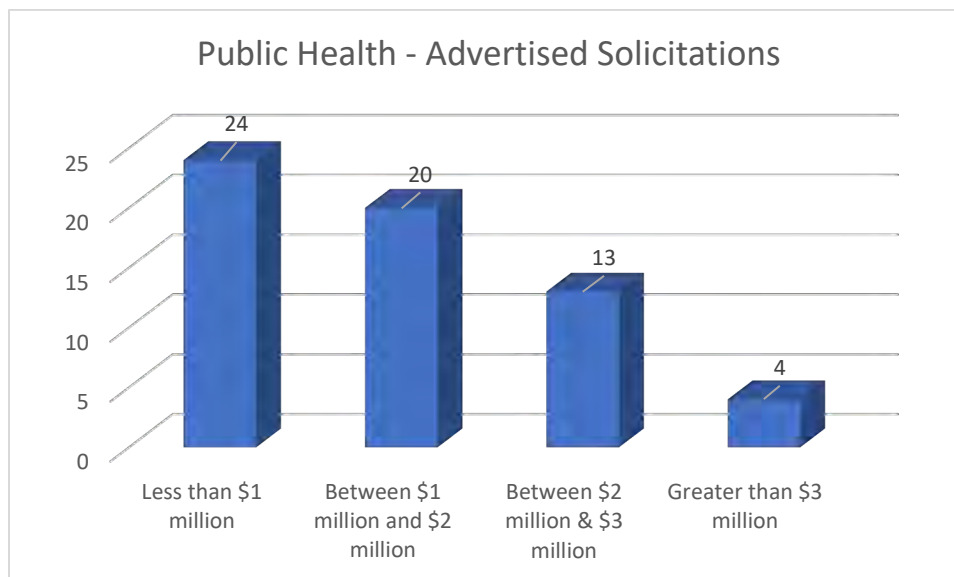
We looked at three years of data to determine the most appropriate certifications to request for the successor agencies. We chose the years 2019, 2022, and 2023. Both 2020 and 2021 were excluded

because purchasing during those two years for DHEC was significantly impacted by the COVID-19 pandemic response causing those two years to be very atypical and not an accurate reflection of normal purchasing activity.

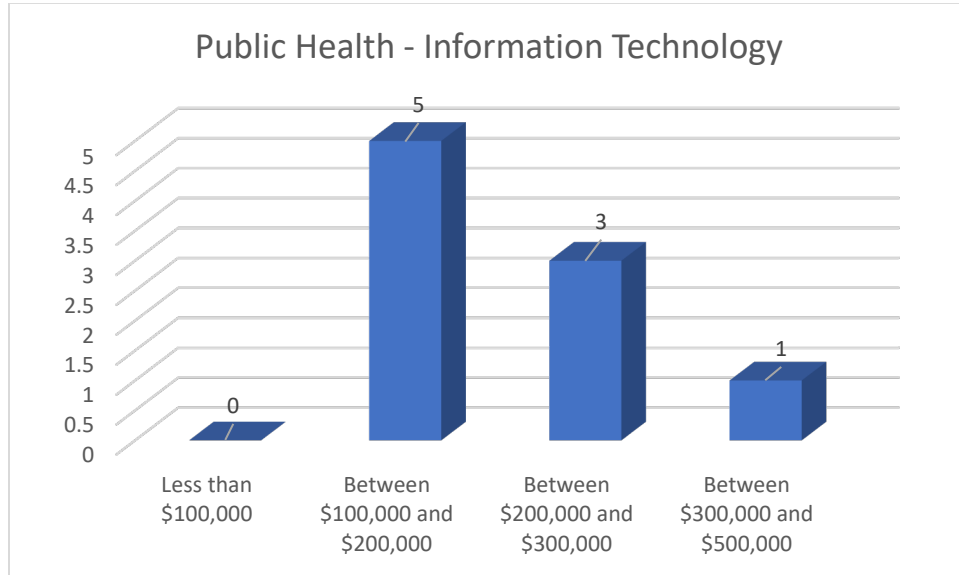
During the three years examined, DHEC conducted a total of 118 advertised solicitations that exceeded \$25,000 in potential value but were either within DHEC's certification authority or for which delegation of authority from DPS was received. Of those 118 solicitations, 61 were for Public Health only, 44 were for Environmental Affairs only, and 13 were for shared goods or services used by both Public Health and Environment.



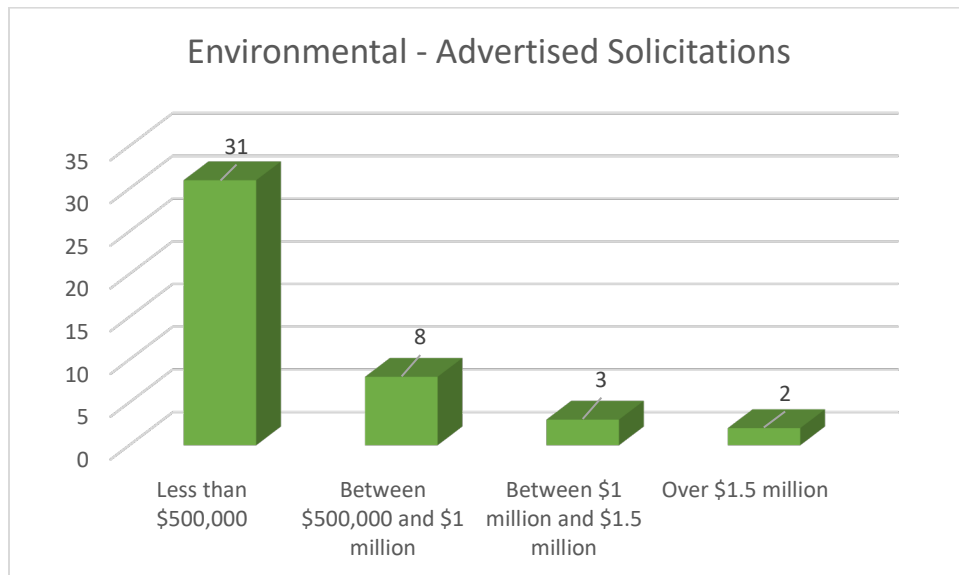
Digging deeper into the 61 advertised solicitations for Public Health, 24 were under \$1 million, 20 were between \$1 million and \$2 million, and 13 were between \$2 million and \$3 million. Just 4 exceeded \$3 million. We believe that \$3 million is the appropriate Supplies and Services certification level for the future Department of Public Health.



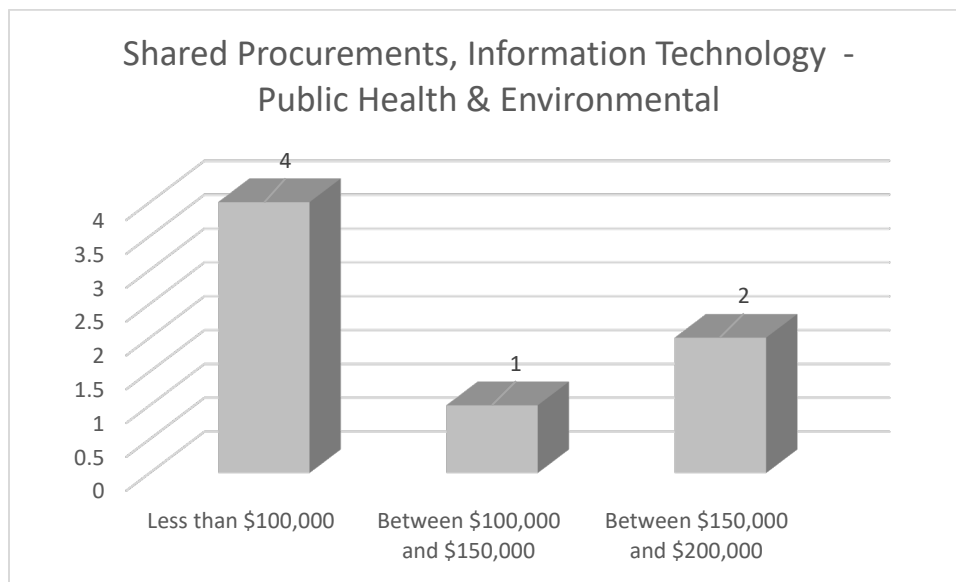
In the area of Information Technology, all advertised solicitations exceeded \$100,000 in value with 5 under \$200,000, 3 between \$200,000 and \$300,000 and 1 between \$300,000 and \$500,000. We believe that \$500,000 is the appropriate Information Technology certification level for the future Department of Public Health.



Looking at the 44 advertised solicitations for Environmental Affairs, the overwhelming majority, 31, were under \$500,000 in total value. Eight (8) were valued between \$500,000 and \$1 million, 3 were valued between \$1 million and \$1.5 million, and just 2 were valued over \$1.5 million. We believe that \$1.5 million is the appropriate Supplies and Services certification level for the future Department of Environmental Services.



There were just two advertised solicitations for Information Technology procurements that were solely for Environmental Affairs, and both of those solicitations were under \$100,000 in value. However, 7 of the 13 procurements during the years examined that were shared by both Public Health and Environmental Affairs were for Information Technology, and those included 4 under \$100,000, 1 between \$100,000 and \$150,000, and 2 that were between \$150,000 and \$200,000. We believe that \$150,000 is the appropriate Information Technology certification level for the future Department of Environmental Services.



REQUESTED CERTIFICATION

We believe that the following requested certification limits are appropriate for the successor agencies to DHEC and request that each agency be granted this procurement authority to make direct agency procurements for the following limits for the remainder of the three-year term granted to DHEC on May 23, 2023.

Requested certification for the Department of Public Health:

Procurement Areas	Certification Limits
Drugs, Biological for Human use; Contraceptives, Biochemicals, and Biochemical Research	*\$12,000,000 per commitment
All other Supplies and Services	\$ 3,000,000 per commitment
Information Technology	\$ 500,000 per commitment
Construction Contract Award	\$ 100,000 per commitment

** Total potential purchase commitment whether single year or multi-term contracts are used*

Requested certification for the Department of Environmental Services:

Procurement Areas

Supplies and Services

Information Technology

Construction Contract Award

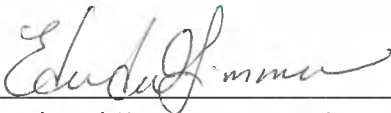
Certification Limits

\$ 1,500,000 per commitment

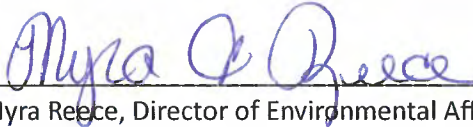
\$ 150,000 per commitment

\$ 50,000 per commitment

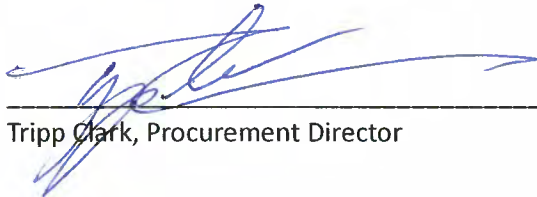
Based on the analysis presented, both agencies will be better served by the requested certifications rather than having Procurements over \$50,000 performed by the Division of Procurement Services. Both successor agencies to DHEC will have trained and experienced procurement staff who have demonstrated, through DHEC's successful audit which concluded just last year, the necessary skills and proficiencies.



Dr. Edward Simmer, Agency Director



Myra Reece, Director of Environmental Affairs

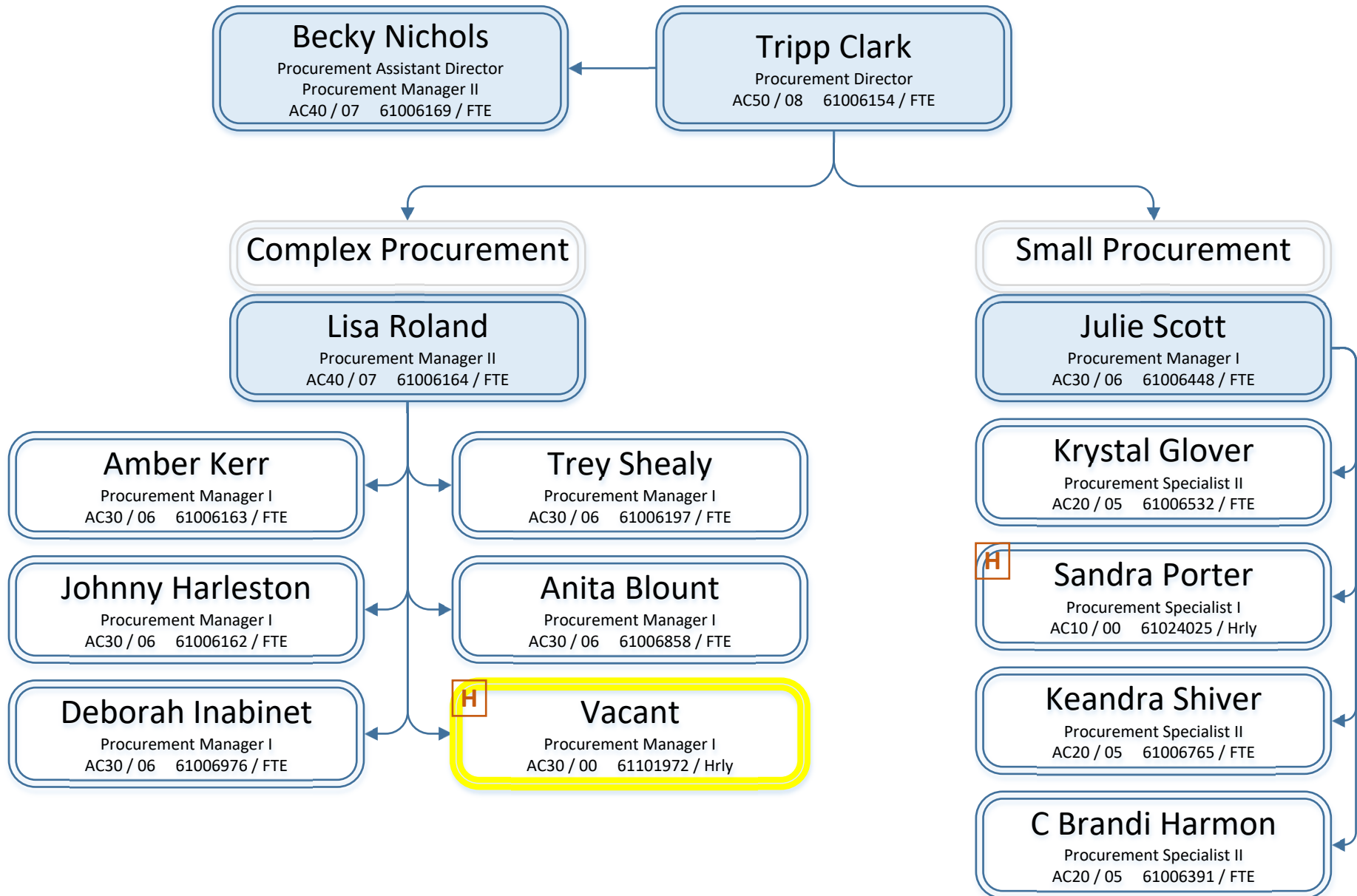


Tripp Clark, Procurement Director

Dept of PH Finance

Procurement

July 1, 2024



Environmental Services
Contracts and Procurement

Vacant
Procurement Director
Procurement Director
(AC50/08) TBD (FTE)

Sherry Jenny
Administrative Assistant
Administrative Assistant (AA75/04)
61006156 (FTE)

Procurement and Purchasing

Edward Matt Winslow
Procurement Manager II
Procurement Manager II (AC40/07)
61008424 (FTE)

Tranee Dinkins
Small Purchasing Manager
Procurement Manager I (AC30/06)
61009562 (FTE)

Vacant
Procurement Manager
Procurement Manager I (AC30/06)
61006192 (FTE)

Robin Kinlaw
Purchasing Specialist
Procurement Specialist II
(AC20/05) 61008174 (FTE)

Shannon Hicks
Procurement Manager
Procurement Manager I (AC30/06)
61006175 (FTE)

Michelle Marks
Procurement Specialist
Procurement Specialist II (AC20/05)
61006853 (FTE)

Vacant
Procurement Manager (IT)
Procurement Manager I (AC30/06)
TBD (FTE)

Ashley Martin
Procurement Specialist
Procurement Specialist II (AC20/05)
61009150 (FTE)

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Shannon Hicks
Procurement Manager
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61006175 (FTE)

Michelle Marks
Procurement Specialist
Procurement Specialist II (AC20/05)
61006853 (FTE)

Vacant
Procurement Manager (IT)
Procurement Manager I (AC30/06)
TBD (FTE)

Ashley Martin
Procurement Specialist
Procurement Specialist II (AC20/05)
61009150 (FTE)

SECTION 11-35-1210. Certification.

(1) Authority. In an amount up to fifty thousand dollars in actual or potential value, individual governmental bodies may make direct procurements not under term contracts. Subject to the following and subject to any ensuing regulations:

(a) the board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The Division of Procurement Services shall review the respective governmental body's internal procurement operation, shall certify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the board those dollar limits for the respective governmental body's procurement not under term contract; and

(b) the Director of the Division of Procurement Services may authorize an individual governmental body to make direct procurements not under term contracts in an amount up to one hundred fifty thousand dollars. All authority granted pursuant to this item must be in writing, and the director shall advise the board in writing of all such authorizations.

(2) Policy. Authorizations granted by the board or the Director of the Division of Procurement Services to a governmental body are subject to the following:

(a) adherence to the provisions of this code and the ensuing regulations, particularly concerning competitive procurement methods;

(b) responsiveness to user needs;

(c) obtaining the best prices for value received.

(3) Adherence to Provisions of the Code. All procurements shall be subject to all the appropriate provisions of this code, especially regarding competitive procurement methods and nonrestrictive specifications.

(4) Subject to subsection (1), the State Board for Technical and Comprehensive Education, in coordination with the appropriate chief procurement officer, may approve a cumulative total of up to fifty thousand dollars in additional procurement authority for technical colleges, provided that the Division of Procurement Services makes no material audit findings concerning procurement. As provided by regulation, any authority granted pursuant to this paragraph is effective when certified in writing by the Division of Procurement Services.

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF March 26, 2024

REGULAR SESSION
ITEM NUMBER 9

AGENCY: Division of Procurement Services

SUBJECT: USC New Health Sciences Campus - Approval of Contract Duration

At its June 29, 2021, the State Fiscal Accountability Authority (Authority), per S.C. Code Ann. §11-35-2030, approved the University of South Carolina's (USC) request to solicit proposals to design, build, operate, and maintain a new Health Sciences Campus that had the potential to exceed seven years. The Authority approved USC's request on the condition that USC obtain the Authority's approval for any actual duration exceeding seven years. USC now requests that the Authority approve a contract term of up to ten years.

AUTHORITY ACTION REQUESTED:

Under authority of SC Consolidated Procurement Code Section 11-35-2030, approve USC's request for a contract duration up to ten years for the design, build, operation, and maintenance of the Health Sciences Campus State Project: H27-6139-CB, as recommended by the Division of Procurement Services.

ATTACHMENTS:

Agenda item worksheet and attachment

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: 3/26/2024

Regular Agenda

1. Submitted by:

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

Management Officer


John St. C. White, Materials

2. Subject: Other-Specify

USC New Health Sciences Campus - Approval of Contract Duration.

3. Summary and Background Information: At its June 29, 2021, the State Fiscal Accountability Authority (Authority), per S.C. Code Ann. §11-35-2030, approved the University of South Carolina's (USC) request to solicit proposals to design, build, operate, and maintain a new Health Sciences Campus that had the potential to exceed seven years. The Authority approved USC's request on the condition that USC obtain the Authority's approval for any actual duration exceeding seven years. The USC now requests that the Authority approve a contract term of up to ten years.

4. What is the Authority asked to do? Under authority of SC Consolidated Procurement Code Section 11-35-2030 approve USC's request for a contract duration up to ten years for the design, build, operation, and maintenance of the Health Sciences Campus State Project: H27-6139-CB.

5. What is recommendation of the submitting agency involved? Approve USC's request for a contract duration up to ten years for the design, build, operation, and maintenance of the Health Sciences Campus State Project: H27-6139-CB.

6. Private Participant Disclosure – Check one:

- ☒ No private participants will be known at the time the Authority considers this agenda item.
☐ A Private Participant Disclosure form has been attached for each private participant.
As referenced on the Disclosure forms, a private participant is a natural person or non-governmental legal entity which may directly benefit from, and is participating in or directly associated with, the requested approval.

7. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
(b) Office Name: [Click or tap here to enter text.](#)

8. List of Supporting Documents:

A – USC's request for a contract duration of ten years
B – Section 11-35-2030

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



December 15, 2023

Mr. John White, State Engineer and CPO
State Fiscal Accountability Authority
Office of State Engineer
1201 Main Street, Suite 600
Columbia, SC 29201

Re: Request for State Fiscal Accountability Authority contract term approval for the University of South Carolina Health Sciences Campus State Project: H27-6139-CB

Dear Mr. White:

Pursuant to SC Code 11-35-2030, the University of South Carolina requested Authority Approval for a contract with a maximum potential duration exceeding seven years on June 29, 2021. This request did not specify the number of years exceeding seven at that point because the university intended to request the specific approval of contract duration once a development agreement was drafted. Currently, this project is in the predevelopment phase with schematic design nearly complete. We have not begun drafting the development agreement. Future design development and construction documents will more clearly define what is constructed, operated, and maintained which will naturally inform the final development agreement.

The university envisions design to extend through 2024. Construction will begin in January of 2025 with substantial completion scheduled for July of 2027. We estimate a development agreement will be negotiated by July of 2024.

The university can make an educated estimate for an advantageous contract duration based on the information we have at this time. The university hereby requests SFAA approval of a contract duration of ten years. We believe this length of time is most prudent because it will authorize an operations and maintenance contract to extend up to five years beyond the 2027 occupancy (total contract term 2022 to 2032). Five years should be sufficient to confirm if contracting operation and maintenance services after occupancy provides the best value for the university. In the development agreement, we intend to reserve the right to not contract for these services or reduce the duration if negotiations or vendor performance do not achieve acceptable results for the university.

Thank you for your consideration of this request for consideration and approval. Please do not hesitate to contact me at 803-777-8411 if you have any questions.

Thank you for your consideration of this request for consideration and approval. Please do not hesitate to contact me at 803-777-8411 if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Derek S. Gruner".

Derek S. Gruner

University Architect and Associate Vice President of Facilities Planning, Design and Construction

Cc: Ed Walton, Executive Vice-President of Administration and Finance and Chief Financial Officer
Jeffrey L. Perkins, Chief Operating Officer
Venis Manigo, Associate Vice President
Clarissa Clark, Purchasing Director

Attachment 1: A-1 Attachment and related documentation for New Health Sciences Campus- Medical Education and Research Facilities

SECTION 11-35-2030. Multiterm contracts.

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

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

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

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

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

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

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

AGENCY: South Carolina Department of Commerce

SUBJECT: Not Exceeding \$111,000,000 State General Obligation 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 \$111,000,000 State General Obligation Economic Development Bonds of the State of South Carolina for Project Agave.

This project consists of a second facility for the production of electric vehicle batteries that is separate from the facility financed by a previous authorization of State General Obligation Economic Development Bonds for a common or related entity of the project sponsor.

Additionally, the Resolution amends four prior resolutions to provide that no additional State General Obligation Economic Development Bonds authorized by those prior resolutions may be issued. This action is being taken because the Department of Commerce has advised that no additional bonds authorized by those prior resolutions are required for issuance since all sums required for those items of Infrastructure have been met or are no longer required. For further information see section 10.13 of the attached resolution.

AUTHORITY ACTION REQUESTED:

Adopt the Resolution making provision for issuance and sale of not exceeding \$111,000,000 General State Economic Development bonds of the State of South Carolina for Project Agave.

ATTACHMENTS:

Agenda item worksheet and attachments.

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING IN THE AGGREGATE ONE HUNDRED ELEVEN MILLION (\$111,000,000) 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, AMENDING CERTAIN PRIOR RESOLUTIONS, AND OTHER MATTERS RELATING THERETO

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- 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 \$111,000,000 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 \$111,000,000 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.
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A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING IN THE AGGREGATE ONE HUNDRED ELEVEN MILLION (\$111,000,000) 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 from time to time 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 an "economic development project", as such terms are defined in the Enabling Act.

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 of the Secretary of the Department attached hereto as Exhibit A, the findings of which are incorporated herein, 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 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;

- (e) the total amount of all Economic Development Bonds previously issued; and
- (f) the Secretary's certification after independent investigation and review that the proposed Economic Development Bonds serve a public purpose in directly fostering economic development and increasing employment in the State.

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, 2023 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds, but subject to audit). The Bonds herein authorized shall not be issued, assuming such issuance will occur during the fiscal year to end June 30, 2024, 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, 2023, 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, 2024, 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, 2023 (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 \$10,151,725. Accordingly, the amount of general revenues of the State for the fiscal year ended June 30, 2023 (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 \$203,034,500.

(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 \$22,107,176. Accordingly, the amount of general revenues of the State for the fiscal year ended June 30, 2023 (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 \$401,948,656.

(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 \$11,960,689. Accordingly, the amount of general revenues of the State for the fiscal year ended June 30, 2023 (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 \$2,392,137,700.

(g) The general revenues of the State for fiscal year ended June 30, 2023 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds and subject to audit) amounted to not less than \$12,993,213,484. 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 F, 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 \$111,000,000 at this time in order to provide funds which will be used to pay costs of Infrastructure for the Project 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 and Economic Development Bonds previously authorized but not issued as of the date of adoption of this resolution. 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.

“Original Resolution” shall have the meaning given thereto in Section 1.01 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 \$111,000,000 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 One Hundred Twenty-One Million Dollars (\$111,000,000) 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 \$111,000,000. The Bonds shall bear interest at rates determined in the manner prescribed by Section 3.16 hereof. The State Treasurer is hereby authorized to adjust the maturity schedule as to the principal amount maturing in a particular year and as to the dates on which the principal is to be repaid in order to (i) limit net Bond proceeds; (ii) maintain compliance with constitutional and statutory debt limitations; (iii) maintain level annual debt service within each Fiscal Year; and (iv) achieve a more favorable interest rate at the sale of the Bonds.

Section 3.04 Provision for Payment of Interest on the Bonds

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

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

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

(b) The Bonds shall be issued in the form of fully registered Bonds. The Bonds shall be issued in the denomination of \$1,000 or any whole multiple thereof, not exceeding the principal amount of the

Bonds maturing in such year. The Bonds shall be numbered from 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 \$111,000,000 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 \$111,000,000 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 \$111,000,000 if there be such an institution willing, qualified and able to accept the trust upon reasonable and customary terms.

(b) If in a proper case, no appointment of a successor Fiduciary shall be made by the State Treasurer pursuant to the foregoing provisions of this Section within 45 days after any Fiduciary shall have given to the State Treasurer written notice as provided in Section 8.06 hereof or after a vacancy in the office of such Fiduciary shall have occurred by reason of its removal or inability to act, the former Fiduciary or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor.

Section 8.09 Transfer of Rights and Property to Successor

Any successor Fiduciary appointed under this Resolution shall execute, acknowledge and deliver to its predecessor, and also to the State, an instrument accepting such appointment, and thereupon such

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

Section 8.10 Merger or Consolidation

Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it may be party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act; provided, however, such company shall be a bank or trust company organized under the laws of any state of the United States of America or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by this Resolution; and further provided, however, that such company otherwise meets the qualifications for successor Fiduciaries set forth in Section 8.08 herein.

Section 8.11 Adoption of Authentication

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

[End 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 or natural gas.

(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 on the Bonds that is directly or indirectly 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 that the present value of such payments exceeds 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 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 (j)(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, provided however, that the State Authority explicitly does not repeal 10.09 of the Original Resolution as to the reimbursement of certain expenditures from the proceeds of Bonds, such declaration of intent to survive the adoption of this Resolution.

Section 10.13 Amendment of Certain Prior Bond Resolutions

Heretofore the Authority has authorized the issuance of State General Obligation Economic Development Bonds by resolutions adopted and in the respective maximum par amounts:

(a) Not exceeding \$123,000,000 State General Obligation Economic Development Bonds authorized by resolution adopted June 3, 2015;

(b) Not exceeding \$40,500,000 State General Obligation Economic Development Bonds authorized by resolution adopted June 13, 2017;

(c) Not exceeding \$46,000,000 State General Obligation Economic Development Bonds authorized by resolution adopted October 17, 2017; and

(d) Not exceeding \$8,300,000 State General Obligation Economic Development Bonds authorized by resolution adopted May 18, 2021.

(collectively, the “Prior Resolutions”).

The Authority has been advised by the Department that no additional State General Obligation Economic Development Bonds authorized by the Prior Resolutions are required to be issued, because all sums required for those items of Infrastructure to be funded by the Prior Resolutions have been met with State General Obligation Economic Development Bonds proceeds, with other funds available to the State, or a combination thereof, or, in the case of Section 10.13(b), because the applicable economic development project has been abandoned. Accordingly, the Authority hereby finds and determines that no additional State General Obligation Economic Development Bonds authorized by the Prior Resolutions may be issued, and the Prior Resolutions are deemed so amended, all other provisions of the Prior Resolutions remaining of full force and effect.

Section 10.14 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 Agave", which consists of an investment in the State of South Carolina (the "State") by a firm or firms (the "Sponsor") engaged in the manufacture of electric batteries for use in the automotive industry (the "Project").

3. While undertaken at an adjacent location and by a common or related Sponsor, the Project consists of facilities separate from that economic development project and its associated infrastructure to be financed pursuant to that resolution adopted by the Authority on October 18, 2022, as amended and restated by a resolution adopted by the Authority on December 12, 2023.

4. 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 by this Certificate 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.

5. The amount hereby requested for allocation to the Department to defray the costs of the Infrastructure, including contingency funds against inflation and cost overruns, and costs of issuance is One Hundred Eleven Million Dollars (\$111,000,000).

6. 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 a total of not less than Four Hundred Million Dollars (\$400,000,000), and the creation at the Project by the Sponsor of a total 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.

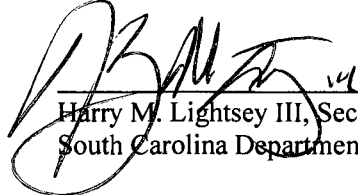
7. A table showing the aggregate annual principal and interest requirements for all General Obligation State Economic Development Bonds outstanding is shown at Attachment A-3(i). Attachment A-3(ii) shows the same, categorized by applicable provisions of Section 11-41-50, together with pro forma annual principal and interest requirements, as of the date hereof, for the bonds hereby requested for issuance. Shown in Attachment A-3(iii) for purposes of information are the aggregate annual principal and interest requirements for all General Obligation State Economic Development Bonds outstanding, pro forma annual principal and interest requirements, as of the date hereof, for the bonds hereby proposed for issuance, and pro forma annual principal and interest requirements, as of the date hereof, for General Obligation State Economic Development Bonds approved by the State Fiscal Accountability Authority but not yet issued.

8. 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.

9. Based on my independent investigation and review of the Project, the proposed Infrastructure and the Sponsor, 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 such benefits are reasonably expected to be realized and are not speculative; and 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 28th day of February, 2024.

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 Costs (in Thousands)</u>
Warehouse Building on Land Owned by Florence County	\$45,000
Mass Grading, Site Preparation, Internal Roads	20,000
Off-site Road Improvements.....	30,000
Off-site Water System Improvements.....	5,000
Training Center Expansion and Improvements	3,000
Off-site Infrastructure Contingency	<u>7,000</u>
TOTAL	\$110,000

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

PRELIMINARY – SUBJECT TO CHANGE

<u>Period</u>	<u>Expected Expenditures</u>
July 2024--December 2024	\$79,000,000
January 2025--June 2025	25,000,000
July 2025--December 2025	6,000,000

**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, 2024	\$ 31,085,000	\$ 1,524,700	\$ 32,609,700
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	\$ 69,355,000	\$ 4,767,825	\$ 74,122,825

* Subject to adjustment through optional redemption hereafter.

**DEBT SERVICE SCHEDULE FOR ALL GENERAL OBLIGATION STATE
ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING AND
THE PROPOSED NOT EXCEEDING \$111,000,000 PRINCIPAL AMOUNT
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS
AT PREVAILING AND ANTICIPATED RATES OF INTEREST**

General Obligation Economic Development Bonds - Composite Debt Service*							
Fiscal Year	Existing Debt Service			Proposed Issue		Composite Debt Service	
	11-41-50A	11-41-50B	11-41-50C	Principal	Interest		
June 30, 2024	\$ 1,553,825	\$ 28,837,625	\$ 2,218,250	\$ -	\$ -	\$ 32,609,700	
June 30, 2025	4,224,175	18,049,500	2,331,000	4,170,000	3,561,276	32,335,951	
June 30, 2026	4,224,300	-	-	4,345,000	3,387,392	11,956,692	
June 30, 2027	4,227,350	-	-	4,465,000	3,268,339	11,960,689	
June 30, 2028	4,228,650	-	-	4,580,000	3,150,909	11,959,559	
June 30, 2029	4,228,150	-	-	4,695,000	3,035,493	11,958,643	
June 30, 2030	-	-	-	4,815,000	2,918,588	7,733,588	
June 30, 2031	-	-	-	4,935,000	2,798,213	7,733,213	
June 30, 2032	-	-	-	5,055,000	2,674,344	7,729,344	
June 30, 2033	-	-	-	5,185,000	2,546,958	7,731,958	
June 30, 2034	-	-	-	5,315,000	2,415,259	7,730,259	
June 30, 2035	-	-	-	5,450,000	2,280,258	7,730,258	
June 30, 2036	-	-	-	5,605,000	2,127,113	7,732,113	
June 30, 2037	-	-	-	5,775,000	1,957,282	7,732,282	
June 30, 2038	-	-	-	5,960,000	1,770,749	7,730,749	
June 30, 2039	-	-	-	6,170,000	1,563,937	7,733,937	
June 30, 2040	-	-	-	6,390,000	1,341,200	7,731,200	
June 30, 2041	-	-	-	6,630,000	1,103,492	7,733,492	
June 30, 2042	-	-	-	6,880,000	850,889	7,730,889	
June 30, 2043	-	-	-	7,150,000	582,569	7,732,569	
June 30, 2044	-	-	-	7,430,000	299,429	7,729,429	
Totals	\$ 22,686,450	\$ 46,887,125	\$ 4,549,250	\$ 111,000,000	\$ 43,633,687	\$ 228,756,512	

* Preliminary, subject to change.

**DEBT SERVICE SCHEDULE FOR ALL GENERAL OBLIGATION STATE
ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING,
THE PROPOSED NOT EXCEEDING \$111,000,000 PRINCIPAL AMOUNT
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS, AND
\$347,000,000 PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC
DEVELOPMENT BONDS PREVIOUSLY AUTHORIZED BUT NOT YET ISSUED AT
PREVAILING AND ANTICIPATED RATES OF INTEREST**

General Obligation Economic Development Bonds - Composite Debt Service*								
Fiscal Year	Existing Debt Service			Authorized but Unissued**	Proposed Issue		Composite Debt Service	
	11-41-50A	11-41-50B	11-41-50C		Principal	Interest		
June 30, 2024	\$ 1,553,825	\$ 28,837,625	\$ 2,218,250	\$ -	\$ -	\$ -	\$ 32,609,700	
June 30, 2025	4,224,175	18,049,500	2,331,000	24,168,023	4,170,000	3,561,276	56,503,974	
June 30, 2026	4,224,300	-	-	24,169,466	4,345,000	3,387,392	36,126,158	
June 30, 2027	4,227,350	-	-	24,172,374	4,465,000	3,268,339	36,133,063	
June 30, 2028	4,228,650	-	-	24,170,358	4,580,000	3,150,909	36,129,917	
June 30, 2029	4,228,150	-	-	24,169,494	4,695,000	3,035,493	36,128,137	
June 30, 2030	-	-	-	24,168,962	4,815,000	2,918,588	31,902,549	
June 30, 2031	-	-	-	24,172,837	4,935,000	2,798,213	31,906,049	
June 30, 2032	-	-	-	24,170,669	5,055,000	2,674,344	31,900,013	
June 30, 2033	-	-	-	24,167,257	5,185,000	2,546,958	31,899,215	
June 30, 2034	-	-	-	24,170,650	5,315,000	2,415,259	31,900,909	
June 30, 2035	-	-	-	24,168,502	5,450,000	2,280,258	31,898,760	
June 30, 2036	-	-	-	24,169,678	5,605,000	2,127,113	31,901,791	
June 30, 2037	-	-	-	24,173,822	5,775,000	1,957,282	31,906,104	
June 30, 2038	-	-	-	24,170,646	5,960,000	1,770,749	31,901,395	
June 30, 2039	-	-	-	24,174,011	6,170,000	1,563,937	31,907,948	
June 30, 2040	-	-	-	24,167,823	6,390,000	1,341,200	31,899,023	
June 30, 2041	-	-	-	24,169,753	6,630,000	1,103,492	31,903,245	
June 30, 2042	-	-	-	24,170,321	6,880,000	850,889	31,901,210	
June 30, 2043	-	-	-	24,171,431	7,150,000	582,569	31,904,000	
June 30, 2044	-	-	-	24,171,371	7,430,000	299,429	31,900,800	
Totals	\$ 22,686,450	\$ 46,887,125	\$ 4,549,250	\$ 483,407,443	\$ 111,000,000	\$ 43,633,687	\$ 712,163,955	

* Preliminary, subject to change.

** Projected debt service reflects the entire \$347,000,000 par amount of authorized but unissued bonds.

Inasmuch as funds have been made available for a portion of project costs from other sources, only \$201,607,003 par amount of authorized but unissued bonds remain necessary.

EXHIBIT B

PRO FORMA PRINCIPAL AND INTEREST REQUIREMENTS FOR
THE NOT EXCEEDING \$111,000,000 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, 2025	\$ 4,170,000	\$ 3,561,276	\$ 7,731,276
June 30, 2026	4,345,000	3,387,392	7,732,392
June 30, 2027	4,465,000	3,268,339	7,733,339
June 30, 2028	4,580,000	3,150,909	7,730,909
June 30, 2029	4,695,000	3,035,493	7,730,493
June 30, 2030	4,815,000	2,918,588	7,733,588
June 30, 2031	4,935,000	2,798,213	7,733,213
June 30, 2032	5,055,000	2,674,344	7,729,344
June 30, 2033	5,185,000	2,546,958	7,731,958
June 30, 2034	5,315,000	2,415,259	7,730,259
June 30, 2035	5,450,000	2,280,258	7,730,258
June 30, 2036	5,605,000	2,127,113	7,732,113
June 30, 2037	5,775,000	1,957,282	7,732,282
June 30, 2038	5,960,000	1,770,749	7,730,749
June 30, 2039	6,170,000	1,563,937	7,733,937
June 30, 2040	6,390,000	1,341,200	7,731,200
June 30, 2041	6,630,000	1,103,492	7,733,492
June 30, 2042	6,880,000	850,889	7,730,889
June 30, 2043	7,150,000	582,569	7,732,569
June 30, 2044	7,430,000	299,429	7,729,429
Total	\$ 111,000,000	\$ 43,633,687	\$ 154,633,687

* 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, 2024	\$ 9,230,000	\$ 399,913	\$ 9,629,913
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>\$ 27,850,000</u>	<u>\$ 1,418,088</u>	<u>\$ 29,268,088</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 \$111,000,000 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, 2024	\$ 10,490,000	\$ 693,738	\$ 11,183,738
June 30, 2025	17,260,000	4,847,176	22,107,176
June 30, 2026	11,145,000	4,265,792	15,410,792
June 30, 2027	11,580,000	3,879,239	15,459,239
June 30, 2028	10,950,000	3,543,359	14,493,359
June 30, 2029	8,800,000	3,158,643	11,958,643
June 30, 2030	4,815,000	2,918,588	7,733,588
June 30, 2031	4,935,000	2,798,213	7,733,213
June 30, 2032	5,055,000	2,674,344	7,729,344
June 30, 2033	5,185,000	2,546,958	7,731,958
June 30, 2034	5,315,000	2,415,259	7,730,259
June 30, 2035	5,450,000	2,280,258	7,730,258
June 30, 2036	5,605,000	2,127,113	7,732,113
June 30, 2037	5,775,000	1,957,282	7,732,282
June 30, 2038	5,960,000	1,770,749	7,730,749
June 30, 2039	6,170,000	1,563,937	7,733,937
June 30, 2040	6,390,000	1,341,200	7,731,200
June 30, 2041	6,630,000	1,103,492	7,733,492
June 30, 2042	6,880,000	850,889	7,730,889
June 30, 2043	7,150,000	582,569	7,732,569
June 30, 2044	7,430,000	299,429	7,729,429
Total	\$ 158,970,000	\$ 47,618,224	\$ 206,588,224

* 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 \$111,000,000 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, 2024	\$ 1,260,000	\$ 293,825	\$ 1,553,825
June 30, 2025	7,610,000	4,345,451	11,955,451
June 30, 2026	7,960,000	3,996,692	11,956,692
June 30, 2027	8,255,000	3,705,689	11,960,689
June 30, 2028	8,490,000	3,469,559	11,959,559
June 30, 2029	8,800,000	3,158,643	11,958,643
June 30, 2030	4,815,000	2,918,588	7,733,588
June 30, 2031	4,935,000	2,798,213	7,733,213
June 30, 2032	5,055,000	2,674,344	7,729,344
June 30, 2033	5,185,000	2,546,958	7,731,958
June 30, 2034	5,315,000	2,415,259	7,730,259
June 30, 2035	5,450,000	2,280,258	7,730,258
June 30, 2036	5,605,000	2,127,113	7,732,113
June 30, 2037	5,775,000	1,957,282	7,732,282
June 30, 2038	5,960,000	1,770,749	7,730,749
June 30, 2039	6,170,000	1,563,937	7,733,937
June 30, 2040	6,390,000	1,341,200	7,731,200
June 30, 2041	6,630,000	1,103,492	7,733,492
June 30, 2042	6,880,000	850,889	7,730,889
June 30, 2043	7,150,000	582,569	7,732,569
June 30, 2044	7,430,000	299,429	7,729,429
Total	\$ 131,120,000	\$ 46,200,137	\$ 177,320,137

* Preliminary, subject to change.

\$111,000,000 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, 2023 (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 \$111,000,000 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, 2023 (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, 2023 (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 \$111,000,000 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

\$111,000,000 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, 2023 (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 \$111,000,000 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, 2023 (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, 2023 (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 \$111,000,000 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 \$111,000,000 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

\$ _____^{*}
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS
SERIES _____

(BOOK-ENTRY-ONLY)

ELECTRONIC BIDS for the purchase of the \$ _____^{*} 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.

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,

^{*} 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) Robert MacDonald, Office of the State Treasurer, 116 Wade Hampton Office Building, Columbia, South Carolina, 29201 (telephone: (803) 734-2677; email: robert.macdonald@sto.sc.gov); or (iii) Samuel W. Howell IV, Disclosure Counsel, Howell Linkous & Nettles, LLC, The Lining House, 106 Broad Street, Charleston, South Carolina, 29401 (telephone: (843) 266-3801; email: samhowell@bond-law.com).

Henry 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 Interest

Maturity Date

Original Issue Date

CUSIP

Registered Holder: CEDE & CO.

Principal Amount: _____ DOLLARS (\$ _____)

THE STATE OF SOUTH CAROLINA (the "State") acknowledges itself indebted and for value received hereby promises to pay, solely as hereinafter provided, to the Registered Holder named above, or registered assigns, the Principal Amount stated above on the Maturity Date set forth above, unless this bond (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.

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 (the "Bonds"), 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 41 of the Code of Laws of South Carolina, 1976, as amended (the "Bond 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 Bond 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 State of the State of South Carolina.

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 15th day next preceding such Bond Payment Date.

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

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

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 \$111,000,000 General Obligation State Economic Development Bonds, Series 20__ (the “Bonds”).

The Bonds are being issued pursuant to a resolution adopted on _____, 2024 (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: _____, 202__

By: _____
State Treasurer

EXHIBIT A

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

Issuer: The State of South Carolina

Obligations: \$111,000,000 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 _____, 2023. The State anticipates that the Annual Report will be filed by _____.

THE STATE OF SOUTH CAROLINA

By: _____
State Treasurer

Date: _____, _____



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Harry M. Lightsey III
Secretary

February 28, 2024

Mr. F. Richard Harmon, Jr.
Joint Bond Review Committee
105 Gressette Building
Columbia, SC 29201

Mr. Delbert Singleton
State Fiscal Accountability Authority
1200 Senate Street
Columbia, SC 29201

Dear Rick and Delbert:

The purpose of this letter is to notify the Joint Bond Review Committee (JBRC) and the State Fiscal Accountability Authority (SFAA) of a request by the Department of Commerce ("Commerce") to authorize and approve the proposed issuance of State General Obligation Economic Development Bonds in an amount not to exceed \$111,000,000 (including costs of issuance) in connection with a significant economic development project that consists of job creation and investment in the State of South Carolina by a manufacturer of electric batteries for the automotive industry (the "Project").

Attached is the certification by Secretary Harry Lightsey that the Project meets all statutory requirements of the State General Obligation Economic Development Bond Act and includes a description of the costs of infrastructure that the bond proceeds will be used to defray. Commerce additionally requests the JBRC and SFAA include a provision for reimbursement from proceeds of the Economic Development Bonds or notes, as the case may be, should Commerce use other agency funds available on a short-term basis to fund eligible times of infrastructure prior to the issuance of the bonds.

If you have any questions or require further information, please let me know.

Sincerely,

Karen Blair Manning
Chief Legal Counsel

KBM
Attachment

cc: Theodore B. DuBose, Esquire

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 Agave", which consists of an investment in the State of South Carolina (the "State") by a firm or firms (the "Sponsor") engaged in the manufacture of electric batteries for use in the automotive industry (the "Project").

3. While undertaken at an adjacent location and by a common or related Sponsor, the Project consists of facilities separate from that economic development project and its associated infrastructure to be financed pursuant to that resolution adopted by the Authority on October 18, 2022, as amended and restated by a resolution adopted by the Authority on December 12, 2023.

4. 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 by this Certificate 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.

5. The amount hereby requested for allocation to the Department to defray the costs of the Infrastructure, including contingency funds against inflation and cost overruns, and costs of issuance is One Hundred Eleven Million Dollars (\$111,000,000).

6. 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 a total of not less than Four Hundred Million Dollars (\$400,000,000), and the creation at the Project by the Sponsor of a total 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.

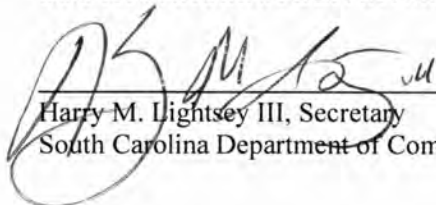
7. A table showing the aggregate annual principal and interest requirements for all General Obligation State Economic Development Bonds outstanding is shown at Attachment A-3(i). Attachment A-3(ii) shows the same, categorized by applicable provisions of Section 11-41-50, together with pro forma annual principal and interest requirements, as of the date hereof, for the bonds hereby requested for issuance. Shown in Attachment A-3(iii) for purposes of information are the aggregate annual principal and interest requirements for all General Obligation State Economic Development Bonds outstanding, pro forma annual principal and interest requirements, as of the date hereof, for the bonds hereby proposed for issuance, and pro forma annual principal and interest requirements, as of the date hereof, for General Obligation State Economic Development Bonds approved by the State Fiscal Accountability Authority but not yet issued.

8. 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.

9. Based on my independent investigation and review of the Project, the proposed Infrastructure and the Sponsor, 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 such benefits are reasonably expected to be realized and are not speculative; and 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 28th day of February, 2024.

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 Costs (in Thousands)</u>
Warehouse Building on Land Owned by Florence County	\$45,000
Mass Grading, Site Preparation, Internal Roads	20,000
Off-site Road Improvements.....	30,000
Off-site Water System Improvements.....	5,000
Training Center Expansion and Improvements	3,000
Off-site Infrastructure Contingency	<u>7,000</u>
TOTAL	\$110,000

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

PRELIMINARY – SUBJECT TO CHANGE

<u>Period</u>	<u>Expected Expenditures</u>
July 2024--December 2024	\$79,000,000
January 2025--June 2025	25,000,000
July 2025--December 2025	6,000,000

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

<u>Fiscal Year Ending</u>	<u>Debt Service*</u>		<u>Total Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	
June 30, 2024	\$ 31,085,000	\$ 1,524,700	\$ 32,609,700
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	\$ 69,355,000	\$ 4,767,825	\$ 74,122,825

* Subject to adjustment through optional redemption hereafter.

**DEBT SERVICE SCHEDULE FOR ALL GENERAL OBLIGATION STATE
ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING AND
THE PROPOSED NOT EXCEEDING \$111,000,000 PRINCIPAL AMOUNT
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS
AT PREVAILING AND ANTICIPATED RATES OF INTEREST**

General Obligation Economic Development Bonds - Composite Debt Service*							
Fiscal Year	Existing Debt Service			Proposed Issue		Composite Debt Service	
	11-41-50A	11-41-50B	11-41-50C	Principal	Interest		
June 30, 2024	\$ 1,553,825	\$ 28,837,625	\$ 2,218,250	\$ -	\$ -	\$	32,609,700
June 30, 2025	4,224,175	18,049,500	2,331,000	4,170,000	3,561,276		32,335,951
June 30, 2026	4,224,300	-	-	4,345,000	3,387,392		11,956,692
June 30, 2027	4,227,350	-	-	4,465,000	3,268,339		11,960,689
June 30, 2028	4,228,650	-	-	4,580,000	3,150,909		11,959,559
June 30, 2029	4,228,150	-	-	4,695,000	3,035,493		11,958,643
June 30, 2030	-	-	-	4,815,000	2,918,588		7,733,588
June 30, 2031	-	-	-	4,935,000	2,798,213		7,733,213
June 30, 2032	-	-	-	5,055,000	2,674,344		7,729,344
June 30, 2033	-	-	-	5,185,000	2,546,958		7,731,958
June 30, 2034	-	-	-	5,315,000	2,415,259		7,730,259
June 30, 2035	-	-	-	5,450,000	2,280,258		7,730,258
June 30, 2036	-	-	-	5,605,000	2,127,113		7,732,113
June 30, 2037	-	-	-	5,775,000	1,957,282		7,732,282
June 30, 2038	-	-	-	5,960,000	1,770,749		7,730,749
June 30, 2039	-	-	-	6,170,000	1,563,937		7,733,937
June 30, 2040	-	-	-	6,390,000	1,341,200		7,731,200
June 30, 2041	-	-	-	6,630,000	1,103,492		7,733,492
June 30, 2042	-	-	-	6,880,000	850,889		7,730,889
June 30, 2043	-	-	-	7,150,000	582,569		7,732,569
June 30, 2044	-	-	-	7,430,000	299,429		7,729,429
Totals	\$ 22,686,450	\$ 46,887,125	\$ 4,549,250	\$ 111,000,000	\$ 43,633,687	\$	228,756,512

* Preliminary, subject to change.

**DEBT SERVICE SCHEDULE FOR ALL GENERAL OBLIGATION STATE
ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING,
THE PROPOSED NOT EXCEEDING \$111,000,000 PRINCIPAL AMOUNT
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS, AND
\$347,000,000 PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC
DEVELOPMENT BONDS PREVIOUSLY AUTHORIZED BUT NOT YET ISSUED AT
PREVAILING AND ANTICIPATED RATES OF INTEREST**

General Obligation Economic Development Bonds - Composite Debt Service*								
Fiscal Year	Existing Debt Service			Authorized but Unissued**	Proposed Issue		Composite Debt Service	
	11-41-50A	11-41-50B	11-41-50C		Principal	Interest		
June 30, 2024	\$ 1,553,825	\$ 28,837,625	\$ 2,218,250	\$ -	\$ -	\$ -	\$ 32,609,700	
June 30, 2025	4,224,175	18,049,500	2,331,000	24,168,023	4,170,000	3,561,276	56,503,974	
June 30, 2026	4,224,300	-	-	24,169,466	4,345,000	3,387,392	36,126,158	
June 30, 2027	4,227,350	-	-	24,172,374	4,465,000	3,268,339	36,133,063	
June 30, 2028	4,228,650	-	-	24,170,358	4,580,000	3,150,909	36,129,917	
June 30, 2029	4,228,150	-	-	24,169,494	4,695,000	3,035,493	36,128,137	
June 30, 2030	-	-	-	24,168,962	4,815,000	2,918,588	31,902,549	
June 30, 2031	-	-	-	24,172,837	4,935,000	2,798,213	31,906,049	
June 30, 2032	-	-	-	24,170,669	5,055,000	2,674,344	31,900,013	
June 30, 2033	-	-	-	24,167,257	5,185,000	2,546,958	31,899,215	
June 30, 2034	-	-	-	24,170,650	5,315,000	2,415,259	31,900,909	
June 30, 2035	-	-	-	24,168,502	5,450,000	2,280,258	31,898,760	
June 30, 2036	-	-	-	24,169,678	5,605,000	2,127,113	31,901,791	
June 30, 2037	-	-	-	24,173,822	5,775,000	1,957,282	31,906,104	
June 30, 2038	-	-	-	24,170,646	5,960,000	1,770,749	31,901,395	
June 30, 2039	-	-	-	24,174,011	6,170,000	1,563,937	31,907,948	
June 30, 2040	-	-	-	24,167,823	6,390,000	1,341,200	31,899,023	
June 30, 2041	-	-	-	24,169,753	6,630,000	1,103,492	31,903,245	
June 30, 2042	-	-	-	24,170,321	6,880,000	850,889	31,901,210	
June 30, 2043	-	-	-	24,171,431	7,150,000	582,569	31,904,000	
June 30, 2044	-	-	-	24,171,371	7,430,000	299,429	31,900,800	
Totals	\$ 22,686,450	\$ 46,887,125	\$ 4,549,250	\$ 483,407,443	\$ 111,000,000	\$ 43,633,687	\$ 712,163,955	

* Preliminary, subject to change.

** Projected debt service reflects the entire \$347,000,000 par amount of authorized but unissued bonds. Inasmuch as funds have been made available for a portion of project costs from other sources, only \$201,607,003 par amount of authorized but unissued bonds remain necessary.

_____, 202_

South Carolina State Fiscal Accountability Authority
Columbia, South Carolina

Re: \$111,000,000 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 \$111,000,000 General Obligation State Economic Development 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 _____, 2024 (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. 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,

AGENCY: University of South Carolina

SUBJECT: Not Exceeding \$102,000,000 of General Obligation State Institution Bonds
(Issued on Behalf of the University of South Carolina), of the State of South
Carolina

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$102,000,000 of General Obligation State Institution Bonds (Issued on Behalf of the University of South Carolina), of the State of South Carolina.

The proceeds of the bonds will defray the costs to: (i) to construct, improve, and furnish a new Health Sciences Campus in the Bull Street District of downtown Columbia, South Carolina, to include research and educational facilities, and related improvements and infrastructure throughout the new Health Sciences Campus; (ii) to reimburse the University for expenses incurred in anticipation of the issuance of such State Institution Bonds; and (iii) to pay for expenses related to the issuance of such State Institution Bonds.

AUTHORITY ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$102,000,000 of General Obligation State Institution Bonds (Issued on Behalf of the University of South Carolina), of the State of South Carolina.

ATTACHMENTS:

Pope 2/16/2024 letter; SFAA Resolution; NDIF



OFFICE OF STATE TREASURER

New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 03/26/24

Final Version Date: 00/00/00

1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: H27 Issuer: State of South Carolina Series: 2025
Borrower (if not Issuer): University of South Carolina
Bond Caption: State Institution Bonds - Health Sciences Campus
Bond Resolution Amount: \$ 102,000,000 Est. Production/Par Amt: \$ 87,845,000

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

Submitted By:

ENTITY: University of South Carolina
BY: Mandy M Kibler
ITS: Assoc Vice President and University
Tel: 803-777-2123
Email: kiblerm@email.sc.edu

Final Production/Par Amt: \$ -

Transaction Type/Method of Sale:

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

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

MSRB (EMMA) Continuing Disclosure Responsible Party: University of South Carolina - Mandy Kibler

2. FINANCING (NEW PORTION)

Project #: Project Name: Health Sciences Campus
Project Address/Location: Amount: \$ 300,000,000
Project Type: County:
Projected Avg Interest Rate: 3.51% (All-in TIC) Final Maturity: 4/1/2044 (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: PRAG Disclosure Counsel: Howell Linkous & Nettles
Bond Counsel: Pope Flynn Issuer's Counsel: SC Attorney General
Underwriter: TBD Trustee: N/A
Paying Agent: BNY 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 financing will provide funds to construct, improve, and furnish a new Health Sciences Campus in the Bull Street District of downtown Columbia, South Carolina, to include research and educational facilities, and related improvements and infrastructure throughout the new Health Sciences Campus. Costs of issuance of the bonds are calculated at the anticipated par amount of \$87.8 million in accordance with the approved fee schedule for counsel, published schedules of rating agencies, past experience, and to take into account that certain larger items, such as the underwriter's discount, will not be known until the pricing of the bonds and will vary with market conditions. Costs of issuance as listed in Section 8 and Section 9 assume a stand-alone issuance. 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:	Project Approvals - Phase II (State Entities Only)		Notes:
Issuer/Borrower Approval:	01/19/24	Board of Trustees	Issuer/Borrower Approval:	01/19/24	Board of Trustees
JBRC Approval:	03/20/24	Proposed	JBRC Approval:	03/20/24	Proposed
SFAA Approval:	03/26/24	Proposed	SFAA Approval:	03/26/24	Proposed

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

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

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

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

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

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

Sq. Footage -	<input type="text"/>
Cost Estimate -	\$ <input type="text"/>

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
\$ 100,716,499	00/00/00	Funds to be disbursed upon closing
-	00/00/00	
-	00/00/00	
-	00/00/00	
-	00/00/00	
-	00/00/00	
\$ 100,716,499		

8. ESTIMATED/ACTUAL PROJECT SOURCES AND USES

Sources	Est. Project Budget (Sources)	Est. Project Budget (Uses)	Uses
(1) Bond Proceeds: (a) Par	\$ 87,845,000	\$ 300,000,000	Project Fund
(b) Premium/Accr. Int.	12,871,499	-	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	-	716,499	Cost of Issuance (Incl. UW Disc.)
(5) Other (Specify)		-	Accrued Interest
Type - Institutional Funds	115,000,000.00	-	Additional Proceeds
Type - State Appropriations	85,000,000.00	-	Other
(6) SCHFDA MFHRB Sources		-	Other
(a) LIHTC	-	-	Other
(a) State Housing TC	-	-	Other
(c) Owner's Equity/Other	-	-	Other
Total Project Sources	\$ 300,716,499	\$ 300,716,499	Total Project Uses
Surplus/Deficit		\$ -	

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

COI Entity	Selected COI Vendor	Vendor #	Engagement Date (w/Engagement Ltr Attached)	Est. Fee For Services	Act. Fee For Services	(\$ Δ)
Financial Advisor	PRAG			\$ 65,000	\$ -	\$ 65,000
Bond Counsel	Pope Flynn			43,923	-	43,923
Disclosure Counsel	Howell Linkous & Nettles			26,354	-	26,354
Issuer's Counsel				-	-	-
Underwriter's Counsel				-	-	-
Transaction Counsel				-	-	-
Legal Expenses				-	-	-
				-	-	-
Rating Agency - S&P				36,000	-	36,000
Rating Agency - Moody's				29,000	-	29,000
Rating Agency - Fitch				58,000	-	58,000
Underwriter's Compensation				439,225	-	439,225
Registrar / Paying Agent				10,000	-	10,000
Escrow Agent				-	-	-
Accountant				-	-	-
Verification Agent				-	-	-
Printing				3,000	-	3,000
Publishing				1,500	-	1,500
Advertising				1,500	-	1,500
Contingency				2,998	-	2,998
Issuer's Fee	SC JEDA / SC SHFDA			-	-	-
				\$ 716,499	\$ -	\$ 716,499

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!
0.08%	#DIV/0!
0.14%	#DIV/0!

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

0.50%	#DIV/0!
0.02%	#DIV/0!
0.82%	#DIV/0!



Pope Flynn, LLC
1411 Gervais Street, Suite 300
Post Office Box 11509 (29211)
Columbia, SC 29201
MAIN 803.354.4900
FAX 803.354.4899
www.popeflynn.com

February 16, 2024

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

Re Not Exceeding \$102,000,000 of General Obligation State Institution Bonds (Issued on Behalf of the University of South Carolina) of the State of South Carolina

Dear Delbert:

On behalf of the University of South Carolina, in connection with the authorization of the above-referenced bonds (the "Bonds"), and in anticipation of the South Carolina State Fiscal Accountability Authority (the "Authority") meeting scheduled for March 26, 2024, we respectfully enclose the following for consideration by the Authority:

1. An executed Bond Transmittal Form;
2. A resolution adopted by the Board of Trustees of the University of South Carolina on January 19, 2024, making application to the Authority in connection with the Bonds;
3. A proposed form of opinion of Bond Counsel; and
4. A proposed form of Bond Resolution of the Authority (an electronic copy is being provided contemporaneously with this letter).

We have provided the Office of State Treasurer with copies of the Bond Counsel request form, the New Debt Information Form (NDIF) – Initial Form, and a copy of this submission package. Please let us know should you require anything further or if you have any questions regarding the enclosed.

Best regards,

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

Gary T. Pope, Jr.

c: Robert Macdonald, Director, Debt Management Division, Office of State Treasurer
Mandy Kibler, Associate Vice President and University Controller, University of South Carolina

Enclosures

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: 2/16/2024

Submitted for SFAA Meeting on:
3/26/2024

FROM: Pope Flynn, LLC

1411 Gervais Street, Suite 300
P.O. Box 11509
Columbia, SC 29211

RE: Not Exceeding \$102,000,000 General Obligation State Institution Bonds (Issued on Behalf of the University of South Carolina) of the State of South Carolina

Project Name: Health Sciences Campus – Medical Education and Research Facilities

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

(ALL documents required for state law approval; A and C only for ceiling allocation only; must check K or L)

- 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. ☐ Signed SFAA Reliance letter
- H. ☐ DHEC Certificate of Need (C.O.N.)
- I. ☐ Debt Questionnaire
- J. ☐ 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.

- K. ☒ No Private Participant will be known at the time the Authority considers this agenda item.
- L. ☐ This agenda item is accompanied by the applicable Private Party Disclosure form for each private participant

Bond Counsel: Gary T. Pope, Jr.
Typed Name of Bond Counsel

By: _____

Signature

STATE OF SOUTH CAROLINA
UNIVERSITY OF SOUTH CAROLINA

A RESOLUTION

REQUESTING THE ISSUANCE OF NOT EXCEEDING ONE
HUNDRED TWO MILLION DOLLARS (\$102,000,000) AGGREGATE
PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE
INSTITUTION BONDS ON BEHALF OF THE UNIVERSITY OF
SOUTH CAROLINA PURSUANT TO CHAPTER 107, TITLE 59,
CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

January 19, 2024

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A RESOLUTION

REQUESTING THE ISSUANCE OF NOT EXCEEDING ONE HUNDRED TWO MILLION DOLLARS (\$102,000,000) AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS ON BEHALF OF THE UNIVERSITY OF SOUTH CAROLINA PURSUANT TO CHAPTER 107, TITLE 59, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF SOUTH CAROLINA IN MEETING DULY ASSEMBLED:

SECTION 1. Findings of Fact. As an incident to the adoption of this Resolution, the Board of Trustees of the University of South Carolina (the "Board of Trustees"), the governing body of the University of South Carolina (the "University"), hereby finds and determines as follows:

(a) This Resolution is adopted by the Board of Trustees pursuant to Title 59, Chapter 107, Code of Laws of South Carolina 1976, as amended (the "Enabling Act").

(b) Pursuant to Section 59-107-40 of the Enabling Act, the Board of Trustees is authorized to make application to the South Carolina State Fiscal Accountability Authority (the "State Authority") for the issuance of General Obligation State Institution Bonds ("State Institution Bonds"), the proceeds of which may be used: (i) to construct, reconstruct, maintain, improve, furnish, and refurnish the buildings of and other permanent improvements to the University; (ii) to defray the costs of acquiring or improving land needed as sites for such improvements or for the campus of the University; and (iii) to reimburse the University for expenses incurred in anticipation of the issuance of such bonds.

(c) The Board of Trustees has determined that a current need exists to construct, improve, and furnish a new Health Sciences Campus in the Bull Street District of downtown Columbia, South Carolina, to include research and educational facilities, and related improvements and infrastructure throughout the new Health Sciences Campus (the "Project").

(d) The University estimates that the total cost of the Project will be approximately \$300,000,000. In order to fund a portion of the projected costs of the Project, and taking into account other available resources, the Board of Trustees now desires to make application to the State Authority to issue not exceeding One Hundred Two Million Dollars (\$102,000,000) aggregate principal amount of General Obligation State Institution Bonds (Issued on Behalf of the University of South Carolina) of the State of South Carolina (the "Bonds") pursuant to the Enabling Act, on the basis that a definite and immediate need exists for constructing, improving, and furnishing the Project, and therefore for issuing such Bonds. The proceeds of the Bonds shall be applied to defray a portion of the costs of the Project, to reimburse the University for expenses incurred in anticipation of the issuance of the Bonds, and to pay the costs of issuance of the Bonds.

(e) Accordingly, this Resolution is adopted pursuant to Section 59-107-40 of the Enabling Act, in order to make formal application to the State Authority for the issuance of the Bonds, the proceeds of which will be used for the purposes set forth in paragraph (d) of this Section 1.

SECTION 2. Application for Issuance of State Institution Bonds. The Board of Trustees hereby makes formal application to the State Authority for funds through the issuance of the Bonds pursuant to the

provisions of the Enabling Act, in order that the proceeds thereof may be used for the purposes set forth in paragraph (d) of Section 1 hereof.

SECTION 3. Tuition Fees Received in Previous Fiscal Year. Based on tuition fees as defined in the Enabling Act and as described in Section 4 below, for fiscal year July 1, 2022 through June 30, 2023, tuition fees available to pay debt service on State Institution Bonds amounted to the sum of \$34,739,280.

SECTION 4. Current Schedule of Tuition Fees. The schedule of tuition fees, as defined in the Enabling Act and as now in effect at the University, is as set forth as Exhibit A to this Resolution, which schedule is hereby reaffirmed and approved.

SECTION 5. Maturity Schedule for Bonds. The suggested maturity schedule for the Bonds requested to be issued pursuant to this Resolution is set forth as Exhibit B to this Resolution. Said Exhibit B assumes that the principal amount of the Bonds will be \$102,000,000.

SECTION 6. Debt Service on Outstanding State Institution Bonds. A statement showing all State Institution Bonds heretofore issued on behalf of the University now outstanding and not defeased, together with the annual interest and principal payments to become due thereon, is set forth as Exhibit C to this Resolution.

SECTION 7. Debt Service on Outstanding State Institution Bonds Including Requested Bonds. A table showing debt service on all State Institution Bonds to be outstanding for the University following the issuance of the Bonds (at an assumed principal amount of the Bonds of \$102,000,000 and at prevailing rates of interest) is set forth as Exhibit D to this Resolution. Upon the issuance of the Bonds, the maximum annual debt service on all State Institution Bonds secured by tuition fees of the University may not be greater than 90% of the tuition fees received by the University for the preceding fiscal year.

A calculation establishing the right of the University to seek the issuance of Bonds to the extent set forth in this Resolution is set forth as Exhibit E to this Resolution.

SECTION 8. Request for Issuance of Bonds and Bond Anticipation Notes.

(a) The State Authority is requested to make the findings required by the Enabling Act and to request the Governor and the State Treasurer to provide for the issuance of the Bonds by the State of South Carolina (the "State"). If the State Treasurer should determine that all or a portion of the proceeds needed to defray the costs of the Project should be funded by the issuance of bond anticipation notes (the "Notes") pursuant to Chapter 17, Title 11 of the Code of Laws of South Carolina 1976, as amended (the "BAN Act") rather than the Bonds and that the issuance of the Notes would be in the best interest of the State under prevailing market conditions or, in light of the subsequent borrowings necessary to finance the completion of the Project, would be more efficient than issuing Bonds at this time, the Governor and the State Treasurer are further requested to effect the issuance of Notes pursuant to the BAN Act. If Notes are issued and if, upon maturity thereof, the State Treasurer should determine that further issuance of Notes rather than the Bonds would be in the best interest of the State under prevailing market conditions, the Governor and the State Treasurer are requested to continue the issuance of Notes, in a principal amount not to exceed \$102,000,000 until the Governor and the State Treasurer determine to issue the Bonds on the basis as aforesaid, and the Bonds are issued.

(b) The Board of Trustees hereby covenants and agrees that the University will, and hereby directs the President and the Secretary to the Board of Trustees of the University to deposit and designate, or cause to be deposited and designated, sufficient tuition fees during each fiscal year to satisfy the requirement that debt service on all State Institution Bonds issued on behalf of the University (including

the Bonds herein requested) shall not exceed 90% of such tuition fees so deposited and designated. The President and Secretary are hereby authorized and directed to certify the amount so deposited and designated to the State Authority. In the event this application is submitted to the State Authority, or the Bonds herein requested are delivered, in a fiscal year subsequent to the fiscal year in which this Resolution is adopted, the request herein made is expressly conditioned on such certification being made and showing that debt service on all State Institution Bonds issued on behalf of the University (including the Bonds herein requested) does not exceed 90% of such tuition fees so deposited and designated.

SECTION 9. Covenant to Impose Tuition Fees Sufficient to Pay Bonds. The Board of Trustees hereby covenants and agrees that the schedule of tuition fees now in effect at the University will be revised from time to time and whenever necessary in order to provide the annual principal and interest requirements of all State Institution Bonds now or hereafter to be outstanding, which have been or will be issued on behalf of the University.

SECTION 10. Tax Covenants. To the extent that the State Authority provides for the issuance of Bonds on a federally tax-exempt basis, the University will covenant as follows:

(a) Federal Guarantee Prohibition. The University shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated thereunder (the "Regulations").

(b) Private Business Limitation. The University shall ensure that (i) not in excess of 10% of the amount actually or constructively received from the sale of the Bonds, together with the investment earnings thereon ("Net Proceeds"), is used directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public but not use by the federal government of the United States of America or any agency or instrumentality thereof ("Private Business Use"), if, in addition, the payment of more than ten percent of the principal or ten percent of the interest due on the Bonds during the term thereof is, under the terms thereof or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the State, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (a) in excess of five percent of the Net Proceeds are used for a Private Business Use, and (b) an amount in excess of five percent of the principal or five percent of the interest due on the Bonds during the term thereof is, under the terms thereof or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the State, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said five percent of Net Proceeds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of a portion of the facilities financed with the proceeds of the Bonds and shall not exceed the proceeds used for the governmental use of the portion of the undertaking to which such Private Business Use is related.

(c) Private Loan Limitation. The University shall ensure that not in excess of the lesser of (i) \$5,000,000 or (ii) 5% of the Net Proceeds of the Bonds will be used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

(d) No Arbitrage. The University represents that it does not expect any portion of the proceeds of the Bonds to be used directly or indirectly to acquire higher yielding investments, or to replace funds which were used directly or indirectly to acquire higher yielding investments for other than a "temporary

period” as defined in the Code and the Regulations. The University further covenants that it will not intentionally use any portion of the proceeds of the Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments. In making the foregoing representation and covenant, the University understands and intends that words or phrases contained herein have meanings provided therefor under Section 148 of the Code and under the Regulations.

(e) Taxable Series. In the event the State Treasurer designates a series of the Bonds as a taxable series, whereby the interest upon such Bonds is not excludable from income for federal income tax purposes, the preceding provisions of this Section 10 shall not apply to such series of Bonds so designated.

SECTION 11. Secretary to Present Resolution to State Authority. The Secretary to the Board of Trustees is hereby directed to present a certified copy of this Resolution, together with the Exhibits and any certification required by Section 8 to this Resolution, to the State Authority as evidence of the Board of Trustees’ formal request for the issuance of the Bonds on behalf of the University, and as evidence that all conditions precedent to the issuance of such Bonds have been met prior to the issuance of the Bonds. The date of application for purposes of the Enabling Act shall be such date as this Resolution and any certificate required by Section 8 hereof is submitted to the State Authority.

SECTION 12. Execution of Closing Documents and Certificates. The Chairman of and the Secretary to the Board of Trustees, and all other officers of the University, are fully authorized and empowered to take such further action and to execute and deliver such closing documents as may be necessary and proper in order to complete the borrowing herein authorized and the action of such officers or any one or more of them in executing and delivering any of such documents in such form as he or they shall approve, is hereby fully authorized. In particular, such officers of the University are authorized to abide by covenants made by or on behalf of the State Authority in connection herewith relating to Sections 9 and 10 hereof or relating to Rule 15c2-12 of the United States Securities and Exchange Commission or relating to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended.

SECTION 13. Reimbursement Declaration. The University hereby declares its intention to reimburse itself for a portion of the costs of the Project with the proceeds of the Bonds or the Notes, as the case may be, requested to be issued herein. To that end, the Board of Trustees determines and declares as follows:

(a) no funds from any sources other than the Bonds or the Notes, as the case may be, are, or are reasonably expected to be, reserved, allocated on a long-term basis or otherwise set aside by the University pursuant to the budget or financial policies of the University for the financing of the portion of the costs of constructing, improving, and furnishing of the Project to be funded with the Bonds or the Notes, as the case may be;

(b) the University reasonably expects that all or a portion of the expenditures incurred for the Project and the issuance of the Bonds or the Notes, as the case may be, will be paid prior to the issuance of the Bonds or the Notes, as the case may be;

(c) the University intends and reasonably expects to reimburse itself for all such expenditures paid by it with respect to the Project prior to the issuance of the Bonds or the Notes, as the case may be, from the proceeds of the Bonds or the Notes, as the case may be, and such intention is consistent with the budgetary and financial circumstances of the University;

(d) all of the costs to be paid or reimbursed from the proceeds of the Bonds or the Notes, as the case may be, will be for costs incurred in connection with the issuance of the Bonds or the Notes, as the

case may be, or will, at the time of payment thereof, be properly chargeable to the capital account of the Project (or would be so chargeable with a proper election) under general federal income tax principles; and

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

SECTION 14. Law and Place of Enforcement of this Resolution. This Resolution shall be construed and interpreted in accordance with the laws of the State. All suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in the State.

SECTION 15. Effect of Section Headings. The heading or titles of the several Sections hereof are solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

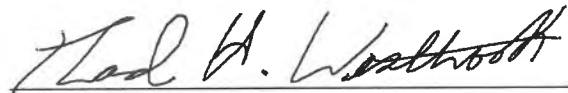
SECTION 16. Repeal of Inconsistent Resolutions. All resolutions of the Board of Trustees, and any part of any resolution, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

SECTION 17. Effectiveness of this Resolution. This Resolution shall become effective upon its adoption.

DONE IN MEETING DULY ASSEMBLED this 19th day of January 2024.

UNIVERSITY OF SOUTH CAROLINA

(SEAL)



Thad H. Westbrook, Chairman
Board of Trustees

Attest:



L. Cameron Howell IV, Secretary
Board of Trustees

EXHIBIT A

THE UNIVERSITY OF SOUTH CAROLINA
SCHEDULE OF TUITION FEES PER SEMESTER IN EFFECT FOR PURPOSES OF
TITLE 59, CHAPTER 107 OF THE CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED

I. Columbia			III. Aiken		
A. Undergraduate			A. Resident	\$ 181.00	
1. Resident	\$ 319.50		B. Non-Resident	181.00	
2. Non-Resident	734.50				
3. Wellness	105.00		IV. Beaufort		
4. Student Health	190.00		A. Resident	\$ 89.00	
B. Graduate			B. Non-Resident	89.00	
1. Resident	\$ 319.50				
2. Non-Resident	351.50		V. Upstate		
3. Wellness	105.00		A. Resident	\$ 295.00	
4. Student Health	190.00		B. Non-Resident	295.00	
C. Law					
1. Resident	\$ 319.50		VI. Palmetto College Campuses		
2. Non-Resident	734.50		A. Columbia		
3. Wellness	105.00		1. Resident	\$ 258.00	
4. Student Health	190.00		2. Non-Resident	\$ 290.00	
D. Medicine			B. Aiken		
1. Resident	\$ 1,090.00		1. Resident and Non-Resident	\$ 228.00	
2. Non-Resident	2,090.00		C. Beaufort		
3. Wellness	105.00		1. Resident and Non-Resident	\$ 63.00	
4. Student Health	190.00		D. Upstate		
			1. Resident and Non-Resident	\$ 165.00	
II. Greenville					
A. Medicine					
1. Resident	\$ 0.00				
2. Non-Resident	0.00				
3. Wellness	105.00				
4. Student Health	190.00				

For the fiscal year ended June 30, 2023, the amount of receipts designated as tuition for state institution bonds purposes was not less than the sum of \$34,739,280. The tuition and fees generated for the 2023 summer term are not included.

The maximum principal and interest debt service payment prior to the issuance contemplated herein is \$14,146,644, which occurs in the fiscal year ending June 30, 2026.

The maximum principal and interest debt service payment after the issuance contemplated herein is anticipated to be \$21,211,791*, which is anticipated to occur in the fiscal year ending June 30, 2026.

* Preliminary, subject to change.

EXHIBIT B

THE UNIVERSITY OF SOUTH CAROLINA
 PRO-FORMA DEBT SERVICE REQUIREMENTS OF
 NOT EXCEEDING \$102,000,000 STATE OF SOUTH CAROLINA
 GENERAL OBLIGATION STATE INSTITUTION BONDS,
 AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	New Issue Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2025	\$ 3,360,000	\$ 3,709,088	\$ 7,069,088
June 30, 2026	4,070,000	2,995,147	7,065,147
June 30, 2027	4,180,000	2,889,327	7,069,327
June 30, 2028	4,280,000	2,785,663	7,065,663
June 30, 2029	4,385,000	2,684,655	7,069,655
June 30, 2030	4,485,000	2,583,800	7,068,800
June 30, 2031	4,585,000	2,480,197	7,065,197
June 30, 2032	4,695,000	2,373,825	7,068,825
June 30, 2033	4,805,000	2,263,492	7,068,492
June 30, 2034	4,915,000	2,150,575	7,065,575
June 30, 2035	5,035,000	2,034,581	7,069,581
June 30, 2036	5,165,000	1,903,167	7,068,167
June 30, 2037	5,315,000	1,753,899	7,068,899
June 30, 2038	5,480,000	1,589,134	7,069,134
June 30, 2039	5,665,000	1,404,458	7,069,458
June 30, 2040	5,860,000	1,205,050	7,065,050
June 30, 2041	6,075,000	991,746	7,066,746
June 30, 2042	6,300,000	764,541	7,064,541
June 30, 2043	6,545,000	523,881	7,068,881
June 30, 2044	6,800,000	269,280	7,069,280
Total	\$ 102,000,000	\$ 39,355,501	\$ 141,355,501

* Preliminary, subject to change.

EXHIBIT C

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

Fiscal Year Ending	Existing Debt Service		Total Debt Service
	Principal	Interest	
June 30, 2024	\$ 10,300,000	\$ 2,126,072	\$ 12,426,072
June 30, 2025	10,355,000	3,749,394	14,104,394
June 30, 2026	10,915,000	3,231,644	14,146,644
June 30, 2027	7,400,000	2,693,944	10,093,944
June 30, 2028	7,760,000	2,332,344	10,092,344
June 30, 2029	8,125,000	1,961,844	10,086,844
June 30, 2030	7,895,000	1,639,294	9,534,294
June 30, 2031	8,205,000	1,328,431	9,533,431
June 30, 2032	6,945,000	1,054,981	7,999,981
June 30, 2033	7,160,000	838,631	7,998,631
June 30, 2034	7,395,000	609,456	8,004,456
June 30, 2035	6,535,000	372,731	6,907,731
June 30, 2036	2,660,000	161,850	2,821,850
June 30, 2037	2,735,000	82,050	2,817,050
Total	<u>\$ 104,385,000</u>	<u>\$ 22,182,666</u>	<u>\$ 126,567,666</u>

EXHIBIT D

SCHEDULE SHOWING PRO-FORMA
TOTAL PRINCIPAL AND INTEREST REQUIREMENTS OF
ALL GENERAL OBLIGATION STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA ON BEHALF OF
THE UNIVERSITY OF SOUTH CAROLINA INCLUDING THE PROPOSED ISSUE OF
\$102,000,000 OF GENERAL OBLIGATION STATE INSTITUTION BONDS
AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	Combined Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2024	\$ 10,300,000	\$ 2,126,072	\$ 12,426,072
June 30, 2025	13,715,000	7,458,482	21,173,482
June 30, 2026	14,985,000	6,226,791	21,211,791
June 30, 2027	11,580,000	5,583,271	17,163,271
June 30, 2028	12,040,000	5,118,007	17,158,007
June 30, 2029	12,510,000	4,646,499	17,156,499
June 30, 2030	12,380,000	4,223,094	16,603,094
June 30, 2031	12,790,000	3,808,628	16,598,628
June 30, 2032	11,640,000	3,428,806	15,068,806
June 30, 2033	11,965,000	3,102,123	15,067,123
June 30, 2034	12,310,000	2,760,031	15,070,031
June 30, 2035	11,570,000	2,407,312	13,977,312
June 30, 2036	7,825,000	2,065,017	9,890,017
June 30, 2037	8,050,000	1,835,949	9,885,949
June 30, 2038	5,480,000	1,589,134	7,069,134
June 30, 2039	5,665,000	1,404,458	7,069,458
June 30, 2040	5,860,000	1,205,050	7,065,050
June 30, 2041	6,075,000	991,746	7,066,746
June 30, 2042	6,300,000	764,541	7,064,541
June 30, 2043	6,545,000	523,881	7,068,881
June 30, 2044	6,800,000	269,280	7,069,280
Total	<u>\$ 206,385,000</u>	<u>\$ 61,538,167</u>	<u>\$ 267,923,167</u>

* Preliminary, subject to change.

EXHIBIT E

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

Aggregate of tuition fees received by the University during preceding fiscal year ended June 30, 2023	\$ 34,739,280
Multiplied by	90%
Produces	\$ 31,265,352
Maximum annual debt service on all State Institution Bonds of the University (including the proposed issue of not exceeding \$102,000,000 of General Obligation State Institution Bonds issued on behalf of the University)	<u>\$ 21,211,791*</u>
Margin	\$ 10,053,561

* Preliminary, subject to change.

A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING ONE HUNDRED TWO MILLION DOLLARS (\$102,000,000) AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF THE UNIVERSITY OF SOUTH CAROLINA), OF THE STATE OF SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

BOND RESOLUTION

Adopted March 26, 2024

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A RESOLUTION

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING ONE HUNDRED TWO MILLION DOLLARS (\$102,000,000) AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION STATE INSTITUTION BONDS (ISSUED ON BEHALF OF THE UNIVERSITY OF SOUTH CAROLINA), OF THE STATE OF SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

ARTICLE I FINDINGS OF FACT

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

Section 1.01 General Findings of Authorization.

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

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

Pursuant to the provisions of a resolution adopted by the Board of Trustees of the University (the “Board of Trustees”) on January 19, 2024 (the “Board Resolution”), the Board of Trustees has requested the Authority to authorize the Governor and the State Treasurer (each as defined herein) to issue General Obligation State Institution Bonds pursuant to the Enabling Act in the aggregate principal amount of not exceeding \$102,000,000 to provide funds: (i) to construct, improve, and furnish a new Health Sciences Campus in the Bull Street District of downtown Columbia, South Carolina, to include research and educational facilities, and related improvements and infrastructure throughout the new Health Sciences Campus; (ii) to reimburse the University for expenses incurred in anticipation of the issuance of such State Institution Bonds ((i) and (ii), collectively, the “Project”); and (iii) to pay for expenses related to the issuance of such State Institution Bonds. Moreover, the Board Resolution constituted the application to the Authority required by Section 59-107-40 of the Enabling Act and the provisions thereof contained all information necessary for the Authority to approve the application and authorize the issuance of such State Institution Bonds.

(c) The Authority has reviewed the Board Resolution and has determined to cause the issuance of not exceeding One Hundred Two Million Dollars (\$102,000,000) aggregate principal amount General Obligation State Institution Bonds (Issued on Behalf of the University of South Carolina), of the State of South Carolina (the “Bonds”), or one or more BANs (as defined herein) in anticipation thereof, for the purposes described in paragraph (b) above.

Section 1.02 Findings Required by the Enabling Act.

The Authority makes the following findings pursuant to Section 59-107-50 of the Enabling Act in connection with the application of the University for issuance of General Obligation State Institution Bonds in the amount of not exceeding \$102,000,000, which sum will be used to pay all or a portion of the costs of the Project and to pay the costs of issuance of the Bonds.

- (a) That a definite and immediate need for the Project exists;
- (b) There are presently outstanding \$104,385,000 aggregate principal amount State Institution Bonds secured by the Tuition Fees (as hereinafter defined) of the University as set forth in Exhibit A attached hereto;
- (c) A satisfactory and proper schedule of Tuition Fees as set forth in Exhibit B attached hereto is in effect at the University;
- (d) A pro forma debt service table setting forth annual principal and interest requirements of the Bonds based on prevailing rates of interest per annum is set forth on Exhibit C attached hereto. Exhibit D attached hereto sets forth the aggregate debt service requirements of the outstanding State Institution Bonds issued on behalf of the University and the Bonds at prevailing rates of interest. Exhibit E attached hereto shows the sums received by the University as Tuition Fees for the Fiscal Year (as hereinafter defined) ended June 30, 2023, and establishes that, based on prevailing rates of interest per annum on the Bonds, the maximum annual debt service on the outstanding State Institution Bonds issued on behalf of the University and the Bonds will not be greater than 90% of the Tuition Fees received by the University for the Fiscal Year ended June 30, 2023;
- (e) The University has agreed that the schedule of the Tuition Fees for the University shall be revised from time to time and whenever necessary to provide not less than the sum needed to pay the annual principal and interest requirements on the Bonds and on all outstanding State Institution Bonds issued on behalf of the University; and
- (f) The Authority has made the findings required of it by Section 59-107-50 of the Enabling Act, and has accepted the Board Resolution as the application required by Section 59-107-40 of the Enabling Act.

Section 1.03 Determination of Compliance with Debt Limitation.

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

issued on behalf of the University to be outstanding, following the issuance of the Bonds at prevailing rates of interest authorized by the provisions of this Resolution, will not exceed \$206,385,000.*

Section 1.04 Determination of Amount of Bonds Herein Authorized.

The Authority finds that it is necessary to issue the Bonds in the aggregate principal amount of not exceeding \$102,000,000 or one or more BANs in anticipation thereof, in order to provide funds which will be used to pay all or a portion of the costs of the Project, to pay the principal of and interest on the BANs, if any, and to pay the costs of issuance of such BANs or the Bonds.

[End of Article I]

* Preliminary, subject to change.

ARTICLE II
DEFINITIONS AND CONSTRUCTION

Section 2.01 Definitions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Governor” means the Governor of the State.

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

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

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

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

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

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

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

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

“Registrar” means any bank, trust company, or national banking association which is authorized to maintain an accurate list of those who from time to time shall be the Holders of the Bonds or BANs and shall effect the exchange and transfer of the Bonds or BANs in accordance with the provisions of this Resolution and having the duties, responsibilities, and rights provided for in this Resolution and its

successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Resolution. The institution named as Registrar may also act as Paying Agent.

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

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

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

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

“State” means the State of South Carolina.

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

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

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

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

Section 2.02 Construction.

In this Resolution, unless the context otherwise requires:

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

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

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

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

[End of Article II]

ARTICLE III ISSUANCE OF BONDS

Section 3.01 Request to Governor and State Treasurer.

The Governor and the State Treasurer are hereby requested to effect the issuance of not to exceed \$102,000,000 principal amount of General Obligation State Institution Bonds in accordance with the provisions of this Resolution.

Section 3.02 Ordering the Issuance of Bonds; Principal Amount.

Pursuant to the provisions of the Enabling Act, and for the purpose of obtaining funds to pay all or a portion of the costs of the Project and to pay certain costs of issuance of the Bonds described in Section 1.02 hereof, there shall be issued not exceeding One Hundred Two Million Dollars (\$102,000,000) aggregate principal amount of general obligation bonds of the State, designated "General Obligation State Institution Bonds (Issued on Behalf of the University of South Carolina), Series 2024." Notwithstanding the foregoing, however, the State Treasurer may, in his discretion, modify the Series designation of the Bonds herein authorized as appropriate and, in such event, all references to the Bonds herein shall be deemed to reference such modified Series designation. The Bonds may be issued as a single Series or in two or more separate Series or may be issued in combination with other issues of State general obligation bonds, as determined by the State Treasurer. The final principal amount of the Bonds shall be determined by the State Treasurer.

Section 3.03 Maturity Schedule of Bonds.

The Bonds shall mature in each of the Fiscal Years and in the Principal Installments determined by the State Treasurer, provided that the aggregate principal amount of Bonds issued hereunder does not exceed \$102,000,000. The Bonds shall bear interest at rates determined in the manner prescribed by Section 3.16 hereof. The State Treasurer is hereby authorized to adjust the maturity schedule as to the principal amount maturing in a particular year and as to the dates on which the principal is to be repaid in order to: (i) limit net Bond proceeds; (ii) maintain compliance with constitutional and statutory debt limitations; (iii) maintain level annual debt service within each Fiscal Year; and (iv) achieve a more favorable interest rate at the sale of the Bonds.

Section 3.04 Provision for Payment of Interest on the Bonds.

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

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

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

(b) The Bonds shall be issued in the form of fully registered Bonds. The Bonds shall be issued in the denomination of \$1,000 or any whole multiple thereof, not exceeding the principal amount

of the Bonds maturing in such year. The Bonds shall be numbered from R-1 upwards in such fashion as to maintain a proper record thereof.

(c) The Principal Installment or Redemption Price of all Bonds shall be payable at the Corporate Trust Office of the Paying Agent and payment of the interest on each Bond shall be made by the Paying Agent to the Person appearing on each Record Date on the registration books of the State, which books shall be held by the Registrar as provided in Section 3.09 hereof, as the registered Owner thereof, by check or draft mailed to such registered Owner at his address as it appears on such registration books in sufficient time to reach such registered Owner on the Bond Payment Date. Payment of the Principal Installment or Redemption Price of all Bonds shall be made upon the presentation and surrender for cancellation of such Bonds as the same shall become due and payable.

Section 3.06 Agreement to Maintain Registrar and Paying Agent.

As long as any of the Bonds remain Outstanding, there shall be a Registrar and a Paying Agent, each of which shall be a financial institution maintaining Corporate Trust Offices where (i) the Bonds may be presented for registration of transfers and exchanges, (ii) notices and demands to or upon the State in respect of the Bonds may be served, and (iii) the Bonds may be presented for payment, exchange and transfer. The State Treasurer is hereby authorized to determine the institution which shall initially exercise the functions of Registrar and Paying Agent. In the event that Bonds are issued in two or more Series, references in this Resolution to the Registrar and Paying Agent shall mean the Registrar and Paying Agent for a given Series.

Section 3.07 Execution and Authentication.

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

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

Section 3.08 Exchange of Bonds.

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

Section 3.09 Transferability and Registry.

All Bonds shall at all times, when the same are Outstanding, be payable, both as to Principal Installment, Redemption Price and interest to a Person, and shall be transferable, only in accordance with

the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds remain Outstanding, the State shall maintain and keep, at the Corporate Trust Office of the Registrar, books for the registration and transfer of Bonds, and, upon presentation thereof for such purpose at the Corporate Trust Office of the Registrar, the State shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Registrar may prescribe, any Bond, except that under no circumstances shall any Bond be registered or transferred to bearer. So long as any of the Bonds remain Outstanding, the State shall make all necessary provisions to permit the transfer of the Bonds at the Corporate Trust Office of the Registrar.

Section 3.10 Transfer of Bonds.

Each Bond shall be transferable only upon the books of the State, which shall be kept for such purpose at the Corporate Trust Office of the Registrar, upon presentation and surrender thereof by the Holder of such Bond or by his attorney duly authorized in writing, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Holder or his duly authorized attorney. Upon surrender for transfer of any such Bond, the State shall execute and the Registrar shall authenticate and deliver, in the name of the Person who is the transferee, one or more new Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond. All action taken by the Registrar pursuant to this section shall be deemed to be the action of the State.

Section 3.11 Regulations with Respect to Exchanges and Transfers.

All Bonds surrendered in any exchanges or transfers shall forthwith be cancelled by the Registrar. For each such exchange or transfer of the Bonds, the State or the Registrar may make a charge sufficient to reimburse it or them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The State shall not be obligated (i) to issue, exchange or transfer any Bond during the 15 days next preceding any Bond Payment Date, (ii) to issue, exchange or transfer any Bonds during a period beginning at the opening of business 15 days next preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the mailing of notice of such redemption, or (iii) to transfer or exchange any Bonds called or being called for redemption in whole or in part.

Section 3.12 Mutilated, Destroyed, Lost and Stolen Bonds.

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

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

(c) Each new Bond issued pursuant to this Section in lieu of any destroyed, lost, or stolen Bond shall constitute an additional contractual obligation of the State, whether or not the destroyed, lost

or stolen Bond shall at any time be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Bonds duly issued pursuant to this Resolution. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds.

Section 3.13 Holder as Owner of Bond.

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

Section 3.14 Cancellation of Bonds.

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

Section 3.15 Payments Due on Saturdays, Sundays and Holidays.

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

Section 3.16 Conditions Relating to Naming of Interest Rates.

The Bonds shall bear such rate or rates of interest as shall at the sale of such Bonds reflect the lowest interest cost to the State at a price of not less than par, but:

- (1) all Bonds of the same maturity shall bear the same rate of interest;
- (2) no rate of interest named shall be more than six (6.00) percentage points;
- (3) a zero (0.0) percentage point rate of interest is not permitted;
- (4) each interest rate named shall be a multiple of 1/8th or 1/20th of one (1) percentage point;
and
- (5) any premium offered must be paid in cash as a part of the purchase price;

provided, however, that the State Treasurer may determine, in his discretion and upon advice received, to waive, modify, amend, or vary the conditions described above (whether prior to the offer for sale of the Bonds, or subsequent to such offer but prior to the award of the Bonds), in order to (i) limit net Bond proceeds, (ii) maintain compliance with constitutional and statutory debt limitations, (iii) maintain level

annual debt service within each Fiscal Year, (iv) achieve a more favorable interest rate at the sale of the Bonds and (v) establish a maximum interest rate or maximum interest rates as necessary to maintain compliance with the provisions of the Enabling Act. In addition to the foregoing, the State Treasurer may establish additional terms and conditions for the sale of the Bonds, not inconsistent herewith, prior to the publication of the Notice of Sale (as defined herein).

Section 3.17 Tax Exemption in South Carolina.

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

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

For the payment of the Principal Installment and interest on the Bonds as the same respectively mature, the full faith, credit and taxing power of the State are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by the University are also pledged. In accordance with the provisions of Section 11-29-30 of the South Carolina Code, and in order to provide for the punctual payment of the Principal Installments and interest on the Bonds herein authorized, the State Treasurer is directed to set aside from the Tuition Fees received in each Fiscal Year in which the interest on and Principal Installment of the Bonds are due or will become due so much of the revenues derived from such Tuition Fees as may be necessary in order to pay the interest on and the Principal Installment of all Bonds falling due in such Fiscal Year and the State Treasurer shall thereafter apply such moneys to the punctual payment of such principal and interest as the same respectively fall due. In the event that the revenues derived from the Tuition Fees so pledged prove insufficient to meet the payments of the interest on and the Principal Installment of such Bonds in such Fiscal Year, then the State Treasurer is authorized and directed to set aside from the general tax revenues of the State received in such Fiscal Year so much of such general tax revenues as become needed for such purpose and to apply the same to the punctual payment of the interest on and the Principal Installment of such Bonds due or to become due in such Fiscal Year.

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

Section 3.19 Tuition Fee Deposits.

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

Section 3.20 Bonds Issued in Book-Entry Only Form.

(a) Unless otherwise determined by the State Treasurer, the Bonds will initially be issued under a book-entry only system in fully registered form, registered in the name of Cede & Co. as the registered owner and securities depository nominee of The Depository Trust Company, New York, New

York (“DTC”), which will act as initial securities depository for the Bonds. So long as the Bonds are being held under a book-entry system of a securities depository, transfers of beneficial ownership of the Bonds will be effected pursuant to rules and procedures established by such securities depository. DTC and any successor securities depositories are hereinafter referred to as the “Securities Depository.” Cede & Co. and successor securities depository nominees are hereinafter referred to as the “Securities Depository Nominee.”

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

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

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

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

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

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

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

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

York time of each Bond Payment Date for interest payments and by 2:30 p.m. New York time for redemption and corporate action payments.

Section 3.21 Form of Bonds.

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

Section 3.22 Borrowing in Anticipation of Issuance of Bonds.

Pursuant to the BAN Act, there may be issued from time to time at the discretion of the Governor and the State Treasurer BANs in aggregate principal amount not exceeding \$102,000,000 in anticipation of the issuance of Bonds. If BANs are issued and if, upon the maturity thereof the Governor and the State Treasurer should determine that it would be in the best interest of the State to renew or refund the BANs, they are authorized to renew or refund the BANs from time to time until the Governor and the State Treasurer determine to issue the Bonds on the basis as aforesaid, and the Bonds are issued.

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

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

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

(d) The BANs may be sold at public or private sale. Bids therefor shall be received until such time and date to be selected by the State Treasurer. Notice of sale of the BANs shall be given in a manner determined by the State Treasurer. Upon receipt of bids for the BANs, the Governor and the State Treasurer shall, and they are hereby authorized to, award the BANs to the bidder offering the lowest interest cost therefor, the method of calculation of which shall be set forth in the notice of sale and determined at the State Treasurer's discretion, without further action on the part of the Authority if the Governor and the State Treasurer shall determine that it is in the interest of the State to make such award.

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

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

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

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

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

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

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

[End of Article III]

ARTICLE IV
REDEMPTION OR PURCHASE OF BONDS

Section 4.01 Authorization of Redemption.

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

Section 4.02 State's Election to Redeem.

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

Section 4.03 Notice of Redemption.

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

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

interest until paid at the same rate as they would have borne, had they not been called for redemption, until the same shall have been paid.

Section 4.04 Selection by Registrar of Bonds to be Redeemed.

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

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

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

Section 4.05 Deposit of Redemption Price.

On or before any date fixed for redemption of any Bonds, cash and/or a principal amount of non-callable Government Obligations maturing or redeemable at the option of the Holder thereof not later than the date fixed for redemption which, together with income to be earned on such Government Obligations prior to such date fixed for redemption, will be sufficient to provide cash to pay the Redemption Price of and accrued interest on all Bonds or portions thereof which are to be redeemed on such date, shall be deposited with the Paying Agent unless such amount shall have been previously deposited with the Paying Agent. Provided, however, that in the event of a conditional redemption such condition is not met, this Section 4.05 is inapplicable.

Section 4.06 Partial Redemption of Bonds.

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

Section 4.07 Purchases of Bonds Outstanding.

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

[End of Article IV]

ARTICLE V SALE OF BONDS

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

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

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

Section 5.02 Award of Bonds.

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

Section 5.03 Official Statement.

The Authority hereby authorizes the State Treasurer to prepare or cause to be prepared and to “deem final,” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, a preliminary official statement relating to the Bonds and to prepare or cause to be prepared and to approve a final official statement following the sale of the Bonds. The Authority hereby authorizes the use of said preliminary official statement and final official statement and the information contained therein in connection with the public offering and sale of the Bonds.

Section 5.04 Combined Sales.

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

[End of Article V]

ARTICLE VI
DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 6.01 Disposition of Bond Proceeds Including Temporary Investments.

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

- (1) accrued interest, if any, shall be applied to the payment of the first installment of interest to become due on the Bonds;
- (2) the premium, if any, shall be applied as determined by the State Treasurer;
- (3) the remaining proceeds of the Bonds shall be segregated by the State Treasurer for the account of the University and shall be applied to pay all or a portion of the costs of the Project or to repay the BANs, as applicable; and
- (4) any remaining proceeds may be used for the payment of the costs of issuing the Bonds.

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

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

[End of Article VI]

ARTICLE VII
DEFEASANCE OF BONDS

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

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

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

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

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

(d) Subject to the provisions of Section 59-107-200 of the Enabling Act, if applicable, if the State shall elect to provide for the payment of the Bonds prior to their stated maturities and shall have deposited with the Escrow Agent in an irrevocable trust moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with said Escrow Agent at the same time, shall be sufficient to pay when due the Principal Installment or Redemption Price to become due on their maturity dates or redemption dates, as the case may be, on the Bonds on and prior to their maturity dates or redemption dates, and interest due on the Bonds on or prior to their maturity or redemption dates, as the case may be. In the event that the State shall elect to redeem Bonds prior to their stated maturities, the State shall proceed in the manner prescribed by Article IV hereof, subject to the provisions of Section 3.20 in the event that at the time of such election the Bonds Outstanding are issued in book-entry only form.

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

Section 7.02 Notice of Defeasance.

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

[End of Article VII]

ARTICLE VIII
CONCERNING THE FIDUCIARIES

Section 8.01 Fiduciaries; Appointment and Acceptance of Duties.

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

Section 8.02 Responsibilities of Fiduciaries.

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

Section 8.03 Evidence on Which Fiduciaries May Act.

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

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

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

Section 8.04 Compensation.

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

Section 8.05 Certain Permitted Acts.

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

Section 8.06 Resignation of Any Fiduciary.

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

Section 8.07 Removal of Fiduciary.

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

Section 8.08 Appointment of Successor Fiduciaries.

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

(b) If in a proper case, no appointment of a successor Fiduciary shall be made by the State Treasurer pursuant to the foregoing provisions of this Section within 45 days after any Fiduciary shall have given to the State Treasurer written notice as provided in Section 8.06 hereof or after a vacancy in the office of such Fiduciary shall have occurred by reason of its removal or inability to act, the former Fiduciary or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor.

Section 8.09 Transfer of Rights and Property to Successor.

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

Section 8.10 Merger or Consolidation.

Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it may be party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act; provided, however, such company shall be a bank or trust company organized under the laws of any state of the United States of America or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by this Resolution; and further provided, however, that such company otherwise meets the qualifications for successor Fiduciaries set forth in Section 8.08 herein.

Section 8.11 Adoption of Authentication.

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

[End of Article VIII]

ARTICLE IX
FEDERAL TAX CONSIDERATIONS

Section 9.01 Compliance with the Code.

The State will comply with all requirements of the Code in order to preserve the tax-exempt status of interest on the Bonds, including without limitation, (i) the requirement to file Form 8038-G, *Information Return for Tax-Exempt Government Obligations*, with the Internal Revenue Service, and (ii) the requirement to rebate certain arbitrage earnings to the United States Government pursuant to Section 148(f) of the Code. In this connection, the State covenants to execute any and all agreements, certificates and other documentation as it may be advised by bond counsel will enable it to comply with this Article IX, and such agreements, certificates and other documentation may be executed by an Authorized Officer.

Section 9.02 Tax Representations and Covenants.

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

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

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

(c) The State is not a party to, and will not enter into or permit any other party to enter into, any contract with any person involving the management of any facility financed or refinanced with the proceeds of the Bonds or by notes paid by the Bonds that does not conform to the guidelines set forth in Revenue Procedure 2017-13, or a successor revenue procedure, Code provision or Regulations.

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

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

Section 9.03 Arbitrage Bonds.

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

- (a) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any Regulations so long as the Bonds are Outstanding;
- (b) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the Code and Regulations relating to required rebate of certain amounts to the United States Government;
- (c) make such reports of such information at the time and places required by the Code and Regulations; and
- (d) take such other action as may be required to assure that the tax-exempt status of the Bonds will not be impaired.

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

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

[End of Article IX]

ARTICLE X
MISCELLANEOUS

Section 10.01 Failure to Present Bonds.

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

Section 10.02 Severability of Invalid Provisions.

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

Section 10.03 Resolution to Constitute Contract.

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

Section 10.04 Execution of Closing Documents and Certificates.

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

Section 10.05 Filing of Copies of Resolution.

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

Section 10.06 Benefits of Resolution Limited to the State and Holders of the Bonds.

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

Section 10.07 No Personal Liability.

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

Section 10.08 Continuing Disclosure.

(a) In accordance with Section 11-1-85 of the South Carolina Code, the Authority hereby covenants to file with a central repository for availability in the secondary bond market when requested: (i) an annual independent audit, within thirty days of the State's receipt of the audit; and (ii) event specific information, within thirty days of an event adversely affecting more than five percent of the State's revenue or tax base. The only remedy for failure by the State to comply with the covenant in this Section 10.08 shall be an action for specific performance of this covenant. The Authority specifically reserves the right to amend this covenant to reflect any change in said Section 11-1-85 without the consent of any Bondholder.

(b) In addition, the State hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking. Failure of the State to comply with the Continuing Disclosure Undertaking shall not be considered an event of default hereunder; provided, however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the State to comply with its obligations under this Section 10.08(b). The Continuing Disclosure Undertaking shall be executed by the State Treasurer prior to the delivery of the Bonds and shall be substantially in such form as is set forth in Exhibit H hereto, together with such modifications and amendments thereto as shall be deemed necessary by the State Treasurer upon advice of counsel. Additionally, the form of the Continuing Disclosure Undertaking

shall be amended and modified as necessary to comply with any rules or regulations promulgated by the United States Securities and Exchange Commission. The execution of the Continuing Disclosure Undertaking shall constitute conclusive evidence of the approval by the State Treasurer of any and all modifications and amendments thereto.

Section 10.09 Law and Place of Enforcement of the Resolution.

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

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

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

Section 10.11 Repeal of Inconsistent Resolutions.

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

Section 10.12 Effectiveness of this Resolution; Lapse of Authorization.

This Resolution shall become effective upon its adoption. The Bonds and any initial series of BANs issued in anticipation of the issuance of Bonds authorized hereby shall be issued within three years of the adoption of this Resolution; provided that this time limitation shall not apply to Bonds and BANs issued to refinance BANs authorized hereby. Section 11-17-120 of the South Carolina Code shall control regarding the timeliness of the issuance of Bonds to pay BANs.

[End of Article X]

EXHIBIT A

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

Fiscal Year Ending	Existing Debt Service		Total Debt Service
	Principal	Interest	
June 30, 2024	\$ 10,300,000	\$ 2,126,072	\$ 12,426,072
June 30, 2025	10,355,000	3,749,394	14,104,394
June 30, 2026	10,915,000	3,231,644	14,146,644
June 30, 2027	7,400,000	2,693,944	10,093,944
June 30, 2028	7,760,000	2,332,344	10,092,344
June 30, 2029	8,125,000	1,961,844	10,086,844
June 30, 2030	7,895,000	1,639,294	9,534,294
June 30, 2031	8,205,000	1,328,431	9,533,431
June 30, 2032	6,945,000	1,054,981	7,999,981
June 30, 2033	7,160,000	838,631	7,998,631
June 30, 2034	7,395,000	609,456	8,004,456
June 30, 2035	6,535,000	372,731	6,907,731
June 30, 2036	2,660,000	161,850	2,821,850
June 30, 2037	2,735,000	82,050	2,817,050
Total	<u>\$ 104,385,000</u>	<u>\$ 22,182,666</u>	<u>\$ 126,567,666</u>

EXHIBIT B

THE UNIVERSITY OF SOUTH CAROLINA
SCHEDULE OF TUITION FEES PER SEMESTER IN EFFECT FOR PURPOSES OF
TITLE 59, CHAPTER 107 OF THE CODE OF LAWS OF
SOUTH CAROLINA 1976, AS AMENDED

I. Columbia		III. Aiken	
A. Undergraduate		A. Resident	\$ 181.00
1. Resident	\$ 319.50	B. Non-Resident	181.00
2. Non-Resident	734.50		
3. Wellness	105.00	IV. Beaufort	
4. Student Health	190.00	A. Resident	\$ 89.00
B. Graduate		B. Non-Resident	89.00
1. Resident	\$ 319.50		
2. Non-Resident	351.50	V. Upstate	
3. Wellness	105.00	A. Resident	\$ 295.00
4. Student Health	190.00	B. Non-Resident	295.00
C. Law			
1. Resident	\$ 319.50	VI. Palmetto College Campuses	
2. Non-Resident	734.50	A. Columbia	
3. Wellness	105.00	1. Resident	\$ 258.00
4. Student Health	190.00	2. Non-Resident	\$ 290.00
D. Medicine		B. Aiken	
1. Resident	\$ 1,090.00	1. Resident and Non-Resident	\$ 228.00
2. Non-Resident	2,090.00	C. Beaufort	
3. Wellness	105.00	1. Resident and Non-Resident	\$ 63.00
4. Student Health	190.00	D. Upstate	
		1. Resident and Non-Resident	\$ 165.00
II. Greenville			
A. Medicine			
1. Resident	\$ 0.00		
2. Non-Resident	0.00		
3. Wellness	105.00		
4. Student Health	190.00		

For the fiscal year ended June 30, 2023, the amount of receipts designated as tuition for state institution bonds purposes was not less than the sum of \$34,739,280. The tuition and fees generated for the 2023 summer term are not included.

The maximum principal and interest debt service payment prior to the issuance contemplated herein is \$14,146,644, which occurs in the fiscal year ending June 30, 2026.

The maximum principal and interest debt service payment after the issuance contemplated herein is anticipated to be \$21,249,462*, which is anticipated to occur in the fiscal year ending June 30, 2026.

* Preliminary, subject to change.

EXHIBIT C

THE UNIVERSITY OF SOUTH CAROLINA
PRO-FORMA DEBT SERVICE REQUIREMENTS OF
NOT EXCEEDING \$102,000,000 STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS,
AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	New Issue Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2025	\$ 3,830,000	\$ 3,272,548	\$ 7,102,548
June 30, 2026	3,990,000	3,112,819	7,102,819
June 30, 2027	4,100,000	3,003,493	7,103,493
June 30, 2028	4,210,000	2,895,663	7,105,663
June 30, 2029	4,315,000	2,789,571	7,104,571
June 30, 2030	4,425,000	2,682,127	7,107,127
June 30, 2031	4,535,000	2,571,502	7,106,502
June 30, 2032	4,645,000	2,457,674	7,102,674
June 30, 2033	4,765,000	2,340,620	7,105,620
June 30, 2034	4,885,000	2,219,589	7,104,589
June 30, 2035	5,010,000	2,095,510	7,105,510
June 30, 2036	5,150,000	1,954,729	7,104,729
June 30, 2037	5,305,000	1,798,684	7,103,684
June 30, 2038	5,480,000	1,627,332	7,107,332
June 30, 2039	5,670,000	1,437,176	7,107,176
June 30, 2040	5,870,000	1,232,489	7,102,489
June 30, 2041	6,090,000	1,014,125	7,104,125
June 30, 2042	6,325,000	782,096	7,107,096
June 30, 2043	6,570,000	535,421	7,105,421
June 30, 2044	6,830,000	275,249	7,105,249
Total	<u>\$ 102,000,000</u>	<u>\$ 40,098,412</u>	<u>\$ 142,098,412</u>

* Preliminary, subject to change.

EXHIBIT D

SCHEDULE SHOWING PRO-FORMA
TOTAL PRINCIPAL AND INTEREST REQUIREMENTS OF
ALL GENERAL OBLIGATION STATE INSTITUTION BONDS
ISSUED BY THE STATE OF SOUTH CAROLINA
ON BEHALF OF THE UNIVERSITY OF SOUTH CAROLINA
INCLUDING THE PROPOSED ISSUE OF
ONE HUNDRED TWO MILLION DOLLARS (\$102,000,000)
OF GENERAL OBLIGATION STATE INSTITUTION BONDS,
AT PREVAILING RATES OF INTEREST

Fiscal Year Ending	Combined Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2024	\$ 10,300,000	\$ 2,126,072	\$ 12,426,072
June 30, 2025	14,185,000	7,021,942	21,206,942
June 30, 2026	14,905,000	6,344,462	21,249,462
June 30, 2027	11,500,000	5,697,436	17,197,436
June 30, 2028	11,970,000	5,228,006	17,198,006
June 30, 2029	12,440,000	4,751,414	17,191,414
June 30, 2030	12,320,000	4,321,421	16,641,421
June 30, 2031	12,740,000	3,899,933	16,639,933
June 30, 2032	11,590,000	3,512,655	15,102,655
June 30, 2033	11,925,000	3,179,251	15,104,251
June 30, 2034	12,280,000	2,829,045	15,109,045
June 30, 2035	11,545,000	2,468,241	14,013,241
June 30, 2036	7,810,000	2,116,579	9,926,579
June 30, 2037	8,040,000	1,880,734	9,920,734
June 30, 2038	5,480,000	1,627,332	7,107,332
June 30, 2039	5,670,000	1,437,176	7,107,176
June 30, 2040	5,870,000	1,232,489	7,102,489
June 30, 2041	6,090,000	1,014,125	7,104,125
June 30, 2042	6,325,000	782,096	7,107,096
June 30, 2043	6,570,000	535,421	7,105,421
June 30, 2044	6,830,000	275,249	7,105,249
Total	<u>\$ 206,385,000</u>	<u>\$ 62,281,078</u>	<u>\$ 268,666,078</u>

* Preliminary, subject to change.

EXHIBIT E

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

Aggregate of tuition fees received by the University during preceding fiscal year ended June 30, 2023	\$ 34,739,280
Multiplied by	90%
Produces	\$ 31,265,352
Maximum annual debt service on all State Institution Bonds of the University (including the proposed issue of not exceeding \$102,000,000 of General Obligation State Institution Bonds issued on behalf of the University)	\$ 21,249,462*
Margin	\$ 10,015,889

* Preliminary, subject to change.

(FORM OF BOND)
(FACE OF BOND)

UNITED STATES OF AMERICA
GENERAL OBLIGATION STATE INSTITUTION BOND
(ISSUED ON BEHALF OF THE UNIVERSITY OF SOUTH CAROLINA), SERIES 20__
OF THE STATE OF SOUTH CAROLINA

No. R-1

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

Registered Holder: CEDE & CO.

Principal Amount: _____ DOLLARS (\$ _____)

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

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

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

Interest on the Bonds is payable on ____ 1 and ____ 1 of each year (the "Bond Payment Dates") beginning ____ 1, 20__. The interest payable on any Bond Payment Date for any Bond shall be paid to the

person in whose name the Bond is registered at the close of business on the 15th day next preceding such Bond Payment Date.

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

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

This Bond is one of an issue of Bonds in the aggregate principal amount of _____ million dollars (\$_____,000) of like tenor, except as to registered owner, numbering, rate of interest, redemption provisions, and date of maturity, issued pursuant to and in accordance with the Constitution and statutes of the State of South Carolina, including, particularly the provisions of Chapter 107, Title 59 of the Code of Laws of South Carolina 1976, as amended, as supplemented by Sections 11-27-30 and 11-29-30 of the Code of Laws of South Carolina 1976, as amended, and a resolution (the "Resolution") duly adopted by the South Carolina State Fiscal Accountability Authority on _____, 20__.

[Insert Redemption Provisions]

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

For the payment of the principal of and interest on this Bond as the same respectively matures, the full faith, credit and taxing power of the State are hereby irrevocably pledged and in addition thereto, but subject to the provisions of the Enabling Act, all Tuition Fees received by the University are also pledged.

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

This Bond is issuable only as a fully registered Bond without coupons in denominations of \$1,000 and any whole multiple of \$1,000. This Bond is transferable, as provided in the Resolution, only upon the registration books kept for that purpose at the Corporate Trust Office of the Registrar by the Registered Holder in person or by his duly authorized attorney, upon (i) surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his duly authorized attorney; and (ii) payment of the charges, if any, prescribed in the Resolution. Thereupon a new fully registered Bond or Bonds of like series designation, maturity and interest rate, and in a like aggregate principal amount will be issued to the transferee in exchange therefor as provided in the Resolution. The State, the Paying Agent and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

The State shall not be obligated to issue, exchange or transfer this Bond during the 15 days next preceding any Bond Payment Date. For every exchange or transfer of the Bonds, the State, the Paying

Agent, or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

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

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

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

THE STATE OF SOUTH CAROLINA

SEAL

Henry D. McMaster
Governor

Curtis M. Loftis, Jr.
State Treasurer

Attest:

Mark Hammond
Secretary of State

CERTIFICATE OF AUTHENTICATION

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

[REGISTRAR], as Registrar

By: _____
Authorized Signatory

Date: _____, 20__

(FORM OF ASSIGNMENT)

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

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

the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints _____,
attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

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

Signature Guaranteed:

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

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

TEN COM --	as tenants in common	UNIF GIFT MIN ACT _____	Custodian _____
TEN ENT --	as tenants by the entireties		(Cust) (Minor)
JT TEN --	as joint tenants with right of survivorship and not as tenants in common	Under Uniform Gift to Minors Act of the State of _____	

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

(FORM OF OFFICIAL NOTICE OF SALE)

OFFICIAL NOTICE OF SALE

\$ _____ *

STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF THE UNIVERSITY OF SOUTH CAROLINA)
SERIES _____

(BOOK-ENTRY-ONLY)

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

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

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

Description of the Bonds. The Bonds will initially be subject to a system of book-entry registration maintained by The Depository Trust Company, New York, New York ("DTC"). Principal of the Bonds when due will be paid upon presentation and surrender of such Bonds at the Corporate Trust Office of the Paying Agent. The Bonds will be dated as of the date of delivery thereof ("Dated Date") expected to be on or about _____, 20__, and bear interest at a rate or rates to be named by the successful bidder (the "Purchaser"). Interest on the Bonds will be payable on _____ 1 and _____ 1 of each year commencing _____ 1, 20__. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Both principal of and interest on the Bonds will be paid in any coin or currency of the United States of America, which, at the time of payment, is legal tender for the payment of public and private debts. The Bonds will be issued in denominations of \$1,000 or any multiple thereof. The Bonds will mature on _____ 1 in the years and principal amounts as follows:

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

* Subject to adjustment as set forth herein.

Optional Redemption. The Bonds maturing on or prior to ____, 20__, are not subject to optional redemption prior to their maturity date. The Bonds maturing after ____, 20__ are subject to redemption, in whole or in part, at any time in any order of maturity to be determined by the State, on and after ____, 20__, at the redemption price of par plus accrued interest to the date fixed for redemption.

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

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

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

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

Electronic Bidding Procedures. Bids to purchase Bonds (all or none) must be submitted electronically via PARITY®. Bids will be communicated electronically to the State at ____ a.m. (Eastern Time) on ____, _____. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via PARITY®, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds or (3) withdraw its proposed bid. Once the bids are communicated electronically via PARITY® to the State, each bid will constitute an irrevocable and unconditional offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on

PARITY® shall constitute the official time. The State will not accept bids by any means other than electronically via PARITY®.

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

CONDITIONS OF SALE

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

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

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

[Term bonds are not permitted.]

By submitting a bid, each bidder represents that the bidder's proposal is genuine, and not a sham or collusive, and is not made in the interest of or on behalf of any person not therein named, the bidder has not directly or indirectly induced or solicited any other bidder to submit a sham bid or any other person, firm or corporation to refrain from bidding, and the bidder has not in any manner sought by collusion to secure for it an advantage over any other bidder. By submitting a bid for the Bonds, each bidder also represents and warrants to the State that (i) it has an established industry reputation for underwriting new issuances of municipal bonds; and (ii) such bidder's bid for the purchase of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such bidder by an

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

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

Basis of Award. If at least three bids are received and the competitive sale requirements under provision of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) are met, the Bonds will be awarded to the bidder offering to purchase all of the Bonds at the lowest interest cost to the State. The lowest interest cost shall be determined in accordance with the true interest cost (TIC) method by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the amount bid, not including interest accrued to the date of delivery (expected to be on or about _____, ____), if any.

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

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

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

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

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

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

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

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

Documents to be Delivered at Closing. The State will furnish, without cost to the Purchaser, the Bonds and the opinions as to their validity by Pope Flynn, LLC, Bond Counsel. The State will also furnish opinions of The Honorable Alan Wilson, Attorney General of the State of South Carolina as to the absence of litigation restraining or enjoining the issuance and delivery of the Bonds.

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

CUSIP Numbers. It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for the Bonds. The State's Financial Advisor will timely apply for CUSIP numbers with respect to the Bonds as required by MSRB Rule G-34. All expenses in relation to the printing of the CUSIP identification numbers on the Bonds shall be paid by the State. However, the CUSIP Global Services charge for the assignment of such numbers shall be the responsibility of and shall be paid by the Purchaser.

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

Statement. The final Official Statement shall be in substantially the same form as the Preliminary Official Statement, subject to any additions, deletions or revisions that the State believes are necessary.

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

Additional Information. Prospective purchasers may obtain, in advance of the sale, copies of the Preliminary Official Statement relating to the Bonds from (i) the MuniOS website, <http://www.MuniOS.com>; (ii) Robert Macdonald, Director Debt Management Division, Office of State Treasurer, 122 Wade Hampton Office Building, Columbia, South Carolina 29201 (telephone: (803) 734-2677; email: robert.macdonald@sto.sc.gov); or (iii) Samuel W. Howell IV, Disclosure Counsel, Howell Linkous & Nettles, LLC, The Lining House, 106 Broad Street, Charleston, South Carolina, 29401 (telephone: (843) 266-3801; email: samhowell@bond-law.com).

Henry D. McMaster, Governor of South Carolina

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

Dated _____, 20__

FORM OF ISSUE PRICE CERTIFICATE FOR
QUALIFIED COMPETITIVE BID

ISSUE PRICE CERTIFICATE

\$ _____ *

STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF THE UNIVERSITY OF SOUTH CAROLINA),
SERIES 20 ____

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

1. Reasonably Expected Initial Offering Price.

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

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

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

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

2. Defined Terms.

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

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

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

* Subject to adjustment as set forth herein.

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

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

Signed this ____ day of _____, ____.

[Purchaser]

By: _____
Name: _____
Title: _____

Schedule A

Expected Offering Prices

Schedule B

Copy of Winning Bid

FORM OF ISSUE PRICE CERTIFICATE FOR
NONQUALIFIED COMPETITIVE BID

ISSUE PRICE CERTIFICATE

\$ _____^{*}
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE INSTITUTION BONDS
(ISSUED ON BEHALF OF THE UNIVERSITY OF SOUTH CAROLINA),
SERIES 20 _____

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

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

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

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

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

3. ***Defined Terms.***

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

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

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

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

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

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

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

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

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, _____, 20__.

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

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

Signed this ____ day of _____, 202__.

[Purchaser]

By: _____
Name: _____
Title: _____

Schedule A

Expected Initial Offering Prices of the Bonds

Schedule B

Copy of Winning Bid

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this “Disclosure Undertaking”) is executed and delivered this ____ day of ____, 20__, by the State of South Carolina (the “State”) in connection with the issuance of the State’s \$ _____ General Obligation State Institution Bonds (Issued on Behalf of the University of South Carolina), Series 20__ (the “Bonds”).

The Bonds are being issued pursuant to a resolution adopted on ____, 20__ (the “Resolution”), by the State Fiscal Accountability Authority authorizing the issuance of the Bonds. The State covenants and agrees as follows:

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

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

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

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

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

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

“Financial Obligation” as used in this Disclosure Undertaking is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

“Official Statement” means the Official Statement dated ____, 20__, prepared in connection with the Bonds.

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

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

“State” means the State of South Carolina.

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

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

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

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

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

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

Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available;

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

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

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

(e) Total general obligation bonds per capita as set forth in the Official Statement under the heading “TABLES RELATING TO THE BONDS AND THEIR EFFECT ON THE DEBT OF THE STATE-Relationship of Population and Personal Income to General Obligations of the State.”

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

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

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of security holders, if material;
- (viii) Bond calls, if material and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;

- (xii) bankruptcy, insolvency, receivership or similar event of any obligated person, which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person;
- (xiii) the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of trustee, if material;
- (xv) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

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

Section 8. Dissemination Agent. The State may, from time to time, appoint or engage a Dissemination Agent to assist in its carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The

Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the State pursuant to this Disclosure Undertaking.

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

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

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

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

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

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

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

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking, and in any separate written agreement between the Issuer and the Dissemination Agent.

Section 13. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the State, the Dissemination Agent, the Participating Underwriters and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity. This Disclosure Undertaking is not intended to create any monetary rights on behalf of any person.

THE STATE OF SOUTH CAROLINA

Date: _____, 20__

By: _____
State Treasurer

EXHIBIT A

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

Issuer: The State of South Carolina

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

Date of Issuance: _____, 20__

CUSIP: _____

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

THE STATE OF SOUTH CAROLINA

By: _____
State Treasurer

Date: _____



Pope Flynn, LLC
1411 Gervais Street, Suite 300
Post Office Box 11509 (29211)
Columbia, SC 29201
MAIN 803.354.4900
FAX 803.354.4899
www.popeflynn.com

[Date of Delivery]

South Carolina State Fiscal Accountability Authority
Columbia, South Carolina

Re: \$_____ General Obligation State Institution Bonds (Issued on Behalf of the University of South Carolina), Series 20__, of the State of South Carolina

Ladies and Gentlemen:

We have acted as bond counsel to the State of South Carolina (the “State”) in connection with the issuance of \$_____ General Obligation State Institution Bonds (Issued on Behalf of the University of South Carolina), Series 20__, of the State of South Carolina (the “Bonds”), dated [Date of Delivery]. 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 (i) Article X, Section 13(6)(b) of the South Carolina Constitution, (ii) Title 59, Chapter 107 of the South Carolina Code, as supplemented by Section 11-27-30 of the South Carolina Code and Section 11-29-30 of the South Carolina Code (the “Enabling Act”), and (iii) a resolution adopted on March 26, 2024, by the South Carolina State Fiscal Accountability Authority, for the purpose of raising funds for purposes authorized by the 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:

1. The Bonds are valid and legally binding general obligations of the State.
2. The full faith, credit, and taxing power of the State and, in addition, the revenues derived from Tuition Fees received by the University of South Carolina 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.
3. Under existing law, assuming continuing compliance with certain covenants made by the University of South Carolina to satisfy pertinent requirements of the Internal Revenue Code of 1986, as amended (the “Code”), and the applicable regulations promulgated thereunder, and the

accuracy of certain representations of the University of South Carolina, interest on the Bonds (i) is excluded from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Code. Such income is, however, taken into account in determining the annual adjusted financial statement income of certain applicable corporations (as defined in Section 59(k) of the Code) for the purpose of determining the application of the 15-percent alternative minimum tax imposed on the adjusted financial statement income of such corporations.

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

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 express no opinion regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement dated _____, 20__, or the Official Statement dated _____, 20__, relating to the Bonds.

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

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.

Very truly yours,

Pope Flynn, LLC

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF March 26, 2024

REGULAR SESSION
ITEM NUMBER 13

AGENCY: Executive Director

SUBJECT: Housing Allowance South Carolina State University's President

The Agency Head Salary Commission has reviewed and recommends approval of the request from the South Carolina State University Board of Trustees to pay the University's President a housing allowance of \$40,000.

AUTHORITY ACTION REQUESTED:

Approve the request from the South Carolina State University Board of Trustees to pay the University's President a housing allowance of \$40,000, as recommended by the Agency Head Salary Commission.

ATTACHMENTS:

Section 117.15 of the 2023-24 Appropriation Act



p (803) 536-7048
f (803) 536-7182

Office of the Board of Trustees

February 7, 2024

VIA EMAIL

Ms. Tawanda Johnson
State Fiscal Accountability Authority
Wade Hampton Building
1200 senate Street Suite 600
Columbia, SC 29201

Dear Ms. Johnson:

I would like to request to have SC State University President Alexander Conyers' Housing Allowance on the agenda for the March 26, 2024, SFAA meeting. A \$40,000 housing allowance was approved by the Agency Head Salary Commission in October, and I am seeking final approval from SFAA. (See Attached)

Currently, there is no President's Residence on the campus as the former residence was demolished over 20 years ago and never rebuilt. The housing allowance will be used by the President to ensure space and amenities necessary to entertain dignitaries and special guests related to his role as President.

I hope that you would consider this request for your upcoming meeting. If you have any questions or need additional information from me, please feel free to contact me at 615-390-1616.

Thank you for your consideration and I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink that reads "Douglas Gantt".

Douglas Gantt
Chairman, SC State University Board of Trustees



House Members:

Rep. Murrell Smith, Chair
Rep. Leon Howard
Rep. Bruce Bannister
Rep. David Weeks

Governor Appointees:

Ms. Deborah Varner
Mr. Burnet Maybank
Mr. Greg Ryberg

Senate Members:

Senator Harvey Peeler, Vice-Chair
Senator Thomas Alexander
Senator John Scott
Senator Greg Hembree

Blythe Littlefield, Staff Director

October 10, 2023

Mr. Douglas Gantt
Chairman, South Carolina State University Board of Trustees
300 College Street, Northeast
Orangeburg, SC 29117

Dear Mr. Gantt:

At its meeting today, the Agency Head Salary Commission approved a housing allowance of \$40,000 for Dr. Alexander Conyers as President of South Carolina State University. This request will now need to go before the State Fiscal Accountability Authority for further approval.

Please call Blythe Littlefield at (803) 737-0901 if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "murrell smith". The signature is written in a cursive, flowing style.

G. Murrell Smith, Jr.

117.15. (GP: Allowance for Residences & Compensation Restrictions) That salaries paid to officers and employees of the State, including its several boards, commissions, and institutions shall be in full for all services rendered, and no perquisites of office or of employment shall be allowed in addition thereto, but such perquisites, commodities, services or other benefits shall be charged for at the prevailing local value and without the purpose or effect of increasing the compensation of said officer or employee. The charge for these items may be payroll deducted at the discretion of the Comptroller General or the chief financial officer at each agency maintaining its own payroll system. This shall not apply to the Governor's Mansion, nor to guards at any of the state's penal institutions and nurses and attendants at the Department of Disabilities and Special Needs, and registered nurses providing clinical care at the MUSC Medical Center, nor to the Superintendent and staff of John de la Howe School, nor to the cottage parents and staff of Wil Lou Gray Opportunity School, nor to full-time or part-time staff who work after regular working hours in the SLED Communications Center or Maintenance Area, nor to adult staff at the Governor's School for Science and Mathematics and the Governor's School for Arts and Humanities who are required to stay on campus by the institution because of job requirements or program participation. Any state institution of higher learning may provide complimentary membership privileges to employees who work at their wellness centers. The presidents of those state institutions of higher learning authorized to provide on-campus residential facilities for students may be permitted to occupy residences on the grounds of such institutions without charge.

Any state institution of higher learning may provide a housing allowance to the president in lieu of a residential facility, the amount to be approved by the State Fiscal Accountability Authority.

That the following may be permitted to occupy residences owned by the respective departments without charge: the Farm Director, Farm Managers, and Specialists employed at the Wateree River Correctional Institution; the South Carolina State Commission of Forestry fire tower operators, forestry aides, and caretaker at central headquarters; the Department of Natural Resources' Wildlife Management Area Personnel, Fish Hatchery Personnel, and Heritage Trust Personnel; the Department of Parks, Recreation and Tourism field personnel in the State Parks Division; Director of Wil Lou Gray Opportunity School; President of the School for the Deaf and the Blind; houseparents for the Commission for the Blind; South Carolina Department of Health and Environmental Control personnel at the

State Park Health Facility and Camp Burnt Gin; Residence Life Coordinators at Lander University; Residence Life Directors, temporary and transition employees, student interns, and emergency personnel at Winthrop University; Farm Superintendent at Winthrop University; Residence Hall Directors at the College of Charleston; the Department of Disabilities and Special Needs' physicians and other professionals at Whitten Center, Clemson University Off-Campus Agricultural Staff and Housing Area Coordinators; and TriCounty Technical College's Bridge to Clemson Resident and Area Directors; and housing maintenance night supervisors, residence life directors, temporary and transition employees, and emergency medical personnel occupying residences owned by the University of South Carolina. Except in the case of elected officials, the fair market rental value of any residence furnished to a state employee shall be reported by the state agency furnishing the residence to the Agency Head Salary Commission, and the Department of Administration by October first of each fiscal year.

All salaries paid by departments and institutions shall be in accord with a uniform classification and compensation plan, approved by the Department of Administration, applicable to all personnel of the State Government whose compensation is not specifically fixed in this act. Such plan shall include all employees regardless of the source of funds from which payment for personal service is drawn. The Department of Administration is authorized to approve temporary salary adjustments for classified and unclassified employees who perform temporary duties which are limited by time and/or funds. When approved, a temporary salary adjustment shall not be added to an employee's base salary and shall end when the duties are completed and/or the funds expire. Academic personnel of the institutions of higher learning and other individual or group of positions that cannot practically be covered by the plan may be excluded therefrom but their compensations as approved by the Department of Administration shall, nevertheless, be subject to review by the State Fiscal Accountability Authority. Salary appropriations for employees fixed in this act shall be in full for all services rendered, and no supplements from other sources shall be permitted or approved by the State Fiscal Accountability Authority. With the exception of travel and subsistence, legislative study committees shall not compensate any person who is otherwise employed as a full-time state employee. Salaries of the heads of all agencies of the State Government shall be specifically fixed in this act and no salary shall be paid any agency head whose salary is not so fixed. As long as there is no impact on appropriated funds, state agencies and institutions shall be allowed to

spend public funds and/or other funds for designated employee award programs which shall have written criteria approved by the agency governing board or commission. For purposes of this section, monetary awards, if any, shall not be considered a part of an employee's base salary, a salary supplement, or a perquisite of employment. The names of all employees receiving monetary awards and the amounts received shall be reported annually to the Department of Administration.

In the case of lodging furnished by certain higher education institutions to employees, the prevailing local rate does not apply if the institution meets the exceptions for inadequate rent described in the current Internal Revenue Code Section 119(d)(2). To meet the exception, rental rates must equal the lesser of five percent of the appraised value of the qualified campus lodging, or the average of the rentals paid by individuals (other than employees or students of the educational institution) during the calendar year for lodging provided by the educational institution which is comparable to the qualified campus lodging provided to the employee, over the rent paid by the employee for the qualified campus lodging during the calendar year. The appraised value shall be determined as of the close of the calendar year in which the taxable year begins, or, in the case of a rental period not greater than one year, at any time during the calendar year in which the period begins.

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF March 26, 2024

REGULAR SESSION
ITEM NUMBER 14

AGENCY: Executive Director

SUBJECT: Annual Report of State Housing Tax Credits

Section 12-6-3795(C)(4) of the South Carolina Code of Laws provides that the State Housing Finance and Development Authority must furnish no later than January 31 of each year an annual report of South Carolina housing tax credits allocated pursuant to this section, which must include for the preceding calendar year the total amount of tax credits allocated. The annual report must be furnished to the President of the Senate, the Speaker of the House of Representatives, the Chairman of the House Ways and Means Committee, the Joint Bond Review Committee, and the State Fiscal Accountability Authority. The State Housing Finance and Development Authority provided its report for calendar year 2023 on January 31, 2024.

AUTHORITY ACTION REQUESTED:

Receive as information the Annual Report of State Housing Tax Credits from the State Housing Finance and Development Authority.

ATTACHMENTS:

1. January 31, 2024, Letter from Richard A. Hutto, CPA
2. 2023 Annual Report of State Housing Tax Credits
3. §12-6-3795, South Carolina Code of Laws



South Carolina State Housing Finance and Development Authority

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

Telephone: 803.896.9001 TTY: 803.896.8831

SCHousing.com

C. Todd Latiff
Chairman

Richard A. Hutto
Executive Director

January 31, 2024

The Honorable Thomas C. Alexander
President of the Senate
213 Gressette Bldg.
Columbia, SC 29201

The Honorable G. Murrell Smith, Jr.
Speaker of the House of Representatives
506 Blatt Bldg.
Columbia, SC 29201

Dear Senator Alexander and Representative Smith,

According to S.C. Code § 12-6-3795, SC Housing is to provide an annual report of South Carolina housing tax credits allocated each calendar year no later than January 31st. The annual report has been broken out into two reports.

The first report is a list of developments that received a preliminary determination letter of state tax credits. Act 202 allows for an annual amount of \$20,000,000 in state tax credits to be allocated each year. In March 2023, SC Housing allocated \$6,353,895 in annual state tax credits in the Bond program and under Act 88 allocated \$10,997,150.92 in state tax credits to developments experiencing a financial hardship totaling \$17,351,045.92.

S.C. Code § 12-6-3795 (B)(5)(b) allows any recaptured, revoked, canceled or otherwise recovered state tax credits to roll over for future years. The unused portion and the recovered portion of state tax credits total \$19,204,595.18, which will be rolled over to use in 2024, the details of such will follow under separate cover.

The second report contains a list of developments placed in service that received annual tax credits totaling \$12,678,952.33.

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

Sincerely,

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

Richard A. Hutto, CPA
Executive Director

Enclosures

Cc: The Honorable Harvey S. Peeler, Jr., Chairman, Senate Finance Committee, Joint Bond Review Committee
The Honorable Bruce W. Bannister, Chairman, House of Representatives Ways and Means Committee
Mr. S. Grant Gillespie, Executive Director, State Fiscal Accountability Authority

Preliminary Determination Amount of Annual State Tax Credits - 2023

	Date STC Letter Sent	Year of QAP	Program	ID	Development Name	City	County	Developer	Amount of Annual Tax Credits on STC Letter	TC Units	Public Benefit
1	3/22/2023	2023	Bond	52130	*Garden Park	Ladson	Berkeley	Andrew Spraker, GDA Partners	\$ -	284	
2	3/22/2023	2023	Bond	52131	Settlement Manor	Greenville	Greenville	Thompson Kurrie, Hallmark Development	\$ 1,231,305.00	120	New construction of 120 family units at 60% AMI. 30 - 1 bedroom, 60 -2 bedroom, 30 -3 bedroom
3	3/22/2023	2023	Bond	52132	Seneca Mill Lofts	Seneca	Oconee	John Gumpert, JP Stevens Mill Developer, LLC	\$ 1,167,276.00	120	New construction of 120 family units at 60% AMI, 24 -1 bedroom,61 -2 bedroom, and 35 -3 bedroom. This development will utilize a vacant historic textile mill.
4	3/22/2023	2023	Bond	52133	Talford Greene	Chester	Chester	Greg Bayard, Parallel Housing	\$ 611,151.00	70	New construction of 70 family units, 17 units at 50% AMI, 36 units at 60% AMI and 17 units at 70% AMI . 18- 1 bedroom, 34 - 2 bedroom, 18 - 3 bedroom
5	3/22/2023	2023	Bond	52134	Edgewood Place	Rock Hill	York	Charlie Irick, Fitch Irick	\$ 2,000,000.00	216	New construction of 216 family units at 60% AMI. 54 - 1 bedroom, 101 -2 bedroom and 61 - 3 bedroom
6	3/22/2023	2023	Bond	52135	The Lofts at Lorick Place	Columbia	Richland	Victor Salemo, ADK Development	\$ 1,344,163.00	144	New construction of 144 family units at 60% AMI, 36 - 1 bedroom, 72 - 2 bedroom, and 36 - 3 bedroom
7	9/11/2023	2023	Act 88 (Bond)	52025	Magnolia Branch	North Charleston	Charleston	Charlie Irick, Fitch Irick	\$ 507,048.50	162	New Construction of 162 family, units at 60% AMI. 39 - 1 bedroom, 81 - 2 bedroom, 42 - 3 bedroom
8	9/11/2023	2023	Act 88 (Bond)	52134	Edgewood Place Apartments	Rock Hill	York	Charlie Irick, Fitch Irick	\$ 342,542.12	216	New construction of 216 family units at 60% AMI. 54 - 1 bedroom, 101 -2 bedroom and 61 - 3 bedroom
9	9/11/2023	2023	Act 88 (Bond)	52135	The Lofts at Lorick Place	Columbia	Richland	Victor Salemo, ADK Development	\$ 97,118.45	144	New construction of 144 family units at 60% AMI, 36 - 1 bedroom, 72 - 2 bedroom, and 36 - 3 bedroom
10	9/13/2023	2023	Act 88 (Bond)	42106	Brookfield Pointe	Columbia	Richland	Brad Queener, Bradley Developers	\$ 110,680.89	90	New Construction of 90 family units at 60% AMI. 9 - 1 bedroom, 45 - 2 bedroom, 36 - 3 bedroom
11	9/13/2023	2023	Act 88 (Bond)	55202	Esau Jenkins Village	Charleston	Charleston	Ray Nix, Urban Matters	\$ 105,840.00	72	New Construction of 72 elderly person units at 60% AMI. 61 - 1 bedroom, 11 - 2 bedroom
12	9/22/2023	2023	Act 88 (Bond)	52012	Hickory Heights & Oakland Apts	Abbeville	Abbeville	Craig Cobb, DGA Capital, LLC	\$ 113,366.80	112	Rehab of 112 family units at 60% AMI. 28 - 1 bedroom, 64 - 2 bedroom, 20 - 3 bedroom
13	9/22/2023	2023	Act 88 (Bond)	42108	Hilton Head Gardens	Hilton Head Island	Beaufort	Paige Miyazak, Vitus Development IV, LLC	\$ 154,600.25	112	Rehab of 112 family units at 60% AMI. 16 - studio, 16 - 1 bedroom, 64 - 2 bedroom, 16 - 3 bedroom
14	9/22/2023	2023	Act 88 (Bond)	42111	Spanish Trace	Beaufort	Beaufort	Samantha Cullen, Vitus Developments IV, LLC	\$ 79,941.83	88	Rehab of 88 family units at 60% AMI. 36 - 1 bedroom, 32 - 2 bedroom, 16 - 3 bedroom, 4 - 4 bedroom

Preliminary Determination Amount of Annual State Tax Credits - 2023

	Date STC Letter Sent	Year of QAP	Program	ID	Development Name	City	County	Developer	Amount of Annual Tax Credits on STC Letter	TC Units	Public Benefit
15	9/22/2023	2023	Act 88 (Bond)	42104	Connecticut Village Apts	Gaffney	Spartanburg	Brooke Shorett, Vitus Development IV, LLC	\$ 94,929.72	105	Rehab of 105 family units at 60% AMI. 15 - 1 bedroom, 55 - 2 bedroom, 25 - 3 bedroom, 10 - 4 bedroom
16	9/22/2023	2023	Act 88 (Bond)	42107	Arrington Place	Columbia	Richland	Brooke Shorett, Vitus Development IV, LLC	\$ 29,182.35	68	Rehab of 68 family units at 60% AMI. 16 - 2 bedroom, 40 - 3 bedroom, 12 - 4 bedroom
17	9/22/2023	2023	Act 88 (Bond)	52004	John G Felder	St Matthews	Calhoun	Cissy Watson, Mansemar Development, LLC	\$ 50,862.00	40	Rehab of 40 elderly person units at 60% AMI. 10 - studio, 30 - 1 bedroom
18	9/22/2023	2023	Act 88 (Bond)	52005	Palmetto Towers	Sumter	Sumter	Cissy Watson, Mansemar Development, LLC	\$ 149,563.00	95	Rehab of 95 elderly persons units at 60% AMI. 95 - 1 bedroom
19	9/22/2023	2023	Act 88 (Bond)	52006	Redemption Towers	Summerville	Dorchester	Cissy Watson, Mansemar Development, LLC	\$ 179,018.25	95	Rehab of 95 elderly persons units at 60% AMI. 95 - 1 bedroom
20	9/22/2023	2023	Act 88 (9%)	21004	Pintail Pointe	Beaufort	Beaufort	Kevin Connelly, Connelly Development, LLC	\$ 225,786.36	84	New Construction of 84 family units. 9 units at 20% AMI, 16 units at 50% AMI, 58 units at 60% AMI, 1 unit at 70% AMI
21	9/22/2023	2023	Act 88 (9%)	21060	Riley at Overbrook	Greenville	Greenville	Drew Schaumber, Schaumber Development, LLC	\$ 114,532.48	88	New Construction of 88 family units. 9 units at 20% AMI, 4 units at 30% AMI, 6 units at 50% AMI, 69 units at 60% AMI
22	9/22/2023	2023	Act 88 (9%)	21066	Carrington Manor	Beaufort	Beaufort	Sean Brady, Commonwealth Development Corporation of America	\$ 201,305.93	64	New Construction of 64 family units. 7 units at 20% AMI, 19 units at 50% AMI, 30 units at 60% AMI, 8 units at 70% AMI
23	9/22/2023	2023	Act 88 (Bond)	42109	Cherokee Landing	Greenville	Greenville	Alex Frazier, TWG Development	\$ 270,369.25	128	New Construction of 128 family units at 60% AMI. 32 - 1 bedroom, 64 2- bedroom, 32 - 3 bedroom
24	9/22/2023	2023	Act 88 (Bond)	42112	Shockley Terrace	Anderson	Anderson	RJ Pasquesi, KCG Development, LLC	\$ 569,074.00	258	New Construction of 258 family units at 60% AMI. 84 - 1 bedroom, 114 - 2 bedroom, 60 - 3bedroom
25	9/22/2023	2023	Act 88 (Bond)	42113	The Park at Wilkerson Road	Rock Hill	York	RJ Pasquesi, KCG Development, LLC	\$ 117,993.40	136	New Construction of 136 older persons units at 60% AMI. 74 - 1 bedroom, 62 - 2 bedroom
26	9/22/2023	2023	Act 88 (Bond)	42115	Oak Terrace	Columbia	Richland	Ray Nix, Urban Matters	\$ 106,109.66	95	New Construction of 95 elderly persons units at 60% AMI. 95 - 1 bedroom
27	9/22/2023	2023	Act 88 (Bond)	42116	Oak Park	Columbia	Richland	Ray Nix, Urban Matters	\$ 79,044.23	171	New Construction of 171 family units at 60% AMI. 96 - 2 bedroom, 75 - 3 bedroom

Preliminary Determination Amount of Annual State Tax Credits - 2023

	Date STC Letter Sent	Year of QAP	Program	ID	Development Name	City	County	Developer	Amount of Annual Tax Credits on STC Letter	TC Units	Public Benefit
28	9/22/2023	2023	Act 88 (Bond)	42119	Gateway at Cross Creek	Central	Pickens	Josh Mandell, Gateway Development Corporation	\$ 292,932.80	168	New Construction of 168 family units at 60% AMI. 24 - 1 bedroom, 84 - 2 bedroom , 60 -3 bedroom
29	9/22/2023	2023	Act 88 (Bond)	42127	Haven at Congaree Pointe	Columbia	Richland	Katessa Archer, Dominionium	\$ 459,937.44	197	New Construction of 197 older persons units at 60% AMI. 96 - 1 bedroom, 101 - 2 bedroom
30	9/22/2023	2023	Act 88 (Bond)	42135	Dunean Mill	Greenville	Greenville	Rusty Snow, Lincoln Avenue Capital	\$ 126,223.50	60	New Construction of 60 family units at 60% AMI. 30 - 2 bedroom, 30 - 3 bedroom
31	9/22/2023	2023	Act 88 (Bond)	42139	Hope Road Apartments	Spartanburg	Spartanburg	Avram Fechter, Equity Plus, LLC	\$ 12,687.89	192	New Construction of 192 family units at 60% AMI. 42 - 3 bedroom, 150 - 4 bedroom
32	9/22/2023	2023	Act 88 (Bond)	52027	Colonel Creek	Columbia	Richland	Charlie Irick, Fitch Irick	\$ 436,262.25	288	New Construction of 288 family units at 60% AMI. 72 - 1 bedroom, 144 - 2 bedroom, 72 - 3 bedroom
33	9/22/2023	2023	Act 88 (Bond)	52110	Dunbar Place	Rock Hill	York	Fred Dodson, Charlotte-Mecklenburg Housing Partnership	\$ 320,624.00	100	New Construction of 100 family units with 10 units at 30% AMI, 75 at 60% AMI and 15 units at 80% AMI. 100 - 2 bedroom units
34	9/22/2023	2023	Act 88 (Bond)	52113	The Sullivan	Greenville	Greenville	Drew Schaumber, Schaumber Development, LLC	\$ 370,951.81	180	New Construction of 180 family units at 60% AMI. 45 - 1 bedroom, 69 - 2 bedroom, 51 - 3 bedroom, 15 - 4 bedroom
35	9/22/2023	2023	Act 88 (Bond)	52122	573 Meeting Street	Charleston	Charleston	Martha Chang, The Michaels Group	\$ 228,612.05	70	New Construction of 70 special needs units (formerly homeless) at 60% AMI. 50 - studio, 16 - 1 bedroom, 4 -2 bedroom
36	9/22/2023	2023	Act 88 (Bond)	52131	Settlement Manor Apartments	Greenville	Greenville	Thompson Kurrie, Hallmark Development	\$ 152,604.94	120	New Construction of 120 family units at 60% AMI. 30 - 1 bedroom, 60 -2 bedroom, 30 -3 bedroom
37	9/22/2023	2023	Act 88 (Bond)	55201	Archer Apartments	Charleston	Charleston	Tracy Doran, Humanities Foundation	\$ 250,421.45	89	New Construction of 89 older persons units. 7 -studio, 71 - 1 bedroom, 11 - 2 bedroom
38	12/21/2023	2023	Act 88 (9%)	20017	The Peaks at Lexington	Lexington	Lexington	Chase Northcutt, RH Group	\$ 221,830.25	78	New Construction of 78 family units AT 60% AMI. 6 - 1 bedroom, 40 - 2 bedroom, 32 - 3 bedroom
39	12/21/2023	2023	Act 88 (9%)	20022	Clemons Greene	Lexington	Lexington	Parker Zee, Woda Cooper Development, Inc.	\$ 193,179.48	90	New Construction of 90 family units at 60% AMI. 6 - 1 bedroom, 60 - 2 bedroom, 24 - 3 bedroom
40	12/21/2023	2023	Act 88 (9%)	21011	The Magnolia	Aiken	Aiken	Tim Thrasher, Community Action Partnership	\$ 214,144.87	60	New Construction of 60 older persons units. 6 units at 20% AMI, 5 units at 50% AMI, 44 units at 60% AMI, 5 units at 70% AMI

Preliminary Determination Amount of Annual State Tax Credits - 2023

	Date STC Letter Sent	Year of QAP	Program	ID	Development Name	City	County	Developer	Amount of Annual Tax Credits on STC Letter	TC Units	Public Benefit
41	12/21/2023	2023	Act 88 (9%)	21020	Havenwood Mathis	Greenwood	Greenwood	Max Elbe, Lowcountry Housing Communities	\$ 188,057.19	48	New Construction of 48 family units. 5 units at 20% AMI, 43 units at 60% AMI
42	12/21/2023	2023	Act 88 (9%)	21021	Southpointe Senior Residences	Greenville	Greenville	Max Elbe, Lowcountry Housing Communities	\$ 223,432.12	90	New Construction of 90 older persons units. 9 units at 20% AMI, 18 units at 50% AMI, 63 units at 60% AMI
43	12/21/2023	2023	Act 88 (9%)	21022	Havenwood St. Ives	North Charleston	Charleston	Max Elbe, Lowcountry Housing Communities	\$ 193,722.58	72	New Construction of 72 family units. 8 units at 20% AMI, 6 units at 40% AMI, 58 units at 60% AMI
44	12/21/2023	2023	Act 88 (9%)	21023	Stoneridge Senior Village	Columbia	Richland	Rob Coats, The Banyan Foundation Inc.	\$ 298,712.89	90	New Construction of 90 older persons units. 9 units at 20% AMI, 18 units at 50% AMI, 63 units at 60% AMI
45	12/21/2023	2023	Act 88 (9%)	21032	Dogwood Senior Village	Greenwood	Greenwood	Josh Thomason, Piedmont Housing Group	\$ 196,473.86	48	New Construction of 48 older persons units. 5 units at 20% AMI, 38 units at 60% AMI, 5 units at 80% AMI
46	12/21/2023	2023	Act 88 (9%)	21063	Gateway at Charleston	Charleston	Charleston	Josh Mandell, Gateway Development Corporation	\$ 268,025.07	69	New Construction of 69 older persons units at 60% AMI. 44 - 1 bedroom, 25 - 2 bedroom
47	12/21/2023	2023	Act 88 (Bond)	42103	Garden Lakes	Columbia	Richland	Andy Spraker, GDA Partners	\$ 516,027.54	288	New Construction of 288 family units at 60% AMI. 108 - 1 bedroom, 144 - 2 bedroom, 36 - 3 bedroom
48	12/21/2023	2023	Act 88 (Bond)	42114	Abbott Arms	Cayce	Lexington	Craig Cobb, DGA Capital, LLC	\$ 264,417.97	100	Rehab of 100 family units at 60% AMI. 20 - 1 bedroom, 60 - 2 bedroom, 20 - 3 bedroom
49	12/21/2023	2023	Act 88 (Bond)	51907	Eastside Apartments	Charleston	Charleston	Charlie Irick, Fitch Irick	\$ 179,044.50	64	New Construction of 64 family units at 60% AMI. 32 - 2 bedroom, 16 - 3 bedroom, 16 - 4 bedroom
50	12/21/2023	2023	Act 88 (Bond)	52003	Robert Smalls	Spartanburg	Spartanburg	Avram Fechter, Equity Plus, LLC	\$ 373,396.00	190	New Construction of 190 family units at 50% AMI. 65 - 1 bedroom, 93 -2 bedroom, 25 -3 bedroom, 7 - 4 bedroom
51	12/21/2023	2023	Act 88 (Bond)	52103	Garden Oaks	Beaufort	Beaufort	Andy Spraker, GDA Partners	\$ 486,993.25	288	New Construction of 288 family units at 60% AMI. 96 - 1 bedroom, 132 - 2 bedroom, 60 - 3 bedroom
52	12/21/2023	2023	Act 88 (Bond)	52108	Lowline Housing	Charleston	Charleston	Taylor Davis, NHE Inc.	\$ 288,750.00	55	New Construction of 55 family units with 11 units at 30% AMI, 15 units at 50% AMI, 15 units at 60% AMI and 14 units at 80% AMI.
53	12/21/2023	2023	Act 88 (Bond)	52113	Village at Congaree Pointe	Columbia	Richland	Andy Spraker, GDA Partners	\$ 387,988.00	240	New Construction of 240 family units at 60% AMI. 60 - 1 bedroom, 144 - 2 bedroom, 36 - 3 bedroom

Preliminary Determination Amount of Annual State Tax Credits - 2023

54	Date STC Letter Sent	Year of QAP	Program	ID	Development Name	City	County	Developer	Amount of Annual Tax Credits on STC Letter	TC Units	Public Benefit
	12/21/2023	2023	Act 88 (Bond)	52133	Talford Greene	Chester	Chester	Greg Bayard, Parallel Housing	\$ 152,787.75	70	New Construction of 70 family units, 17 units at 50% AMI, 36 units at 60% AMI and 17 units at 70% AMI .

* Garden Park returned bond and STC allocations (\$2,204,359) in December 2023

Bond STC Issued:	\$ 6,353,895.00
Act 88 (Bond) Issued:	\$ 8,457,947.84
Act 88 (9%) Issued:	\$ 2,539,203.08
Total Act 88 STC Issued:	\$ 10,997,150.92
Total STC Issued:	\$ 17,351,045.92

Final Amount of Annual State Tax Credits Issued at Placed in Service - 2023

	Date STC Letter Sent	Year of QAP	Program	ID	Development Name	City	County	Developer	Amount of Annual Tax Credits on STC Letter	TC Units	Public Benefit	Total Amount of Annual Credits Issued at PIS	Credits Issued Date	Placed in Service Date
1	4/16/2021	2021	4%	42102	Palmetto Terrace	Columbia	Richland	Jim Schubiner, Access Group Housing	\$ 506,359.00	112	Rehab of 112 family units at 60% AMI. 24 - 1 bedroom, 48 - 2 bedroom, 40 - 3 bedroom	\$ 506,359.00	7/13/2023	1/1/2022
2	12/14/2020	2020	4%	52014	Fiblin Creek	North Charleston	Charleston	Scott Baldridge, Aedis Hope Developments, LLC	\$ 601,106.00	64	Rehab of 64 family units at 60% AMI. 8 - 1 bedroom, 32 - 2 bedroom, 24 - 3 bedroom	\$ 531,863.00	8/18/2023	10/31/2021
3	9/23/2021	2021 & Act 88	4%	42108	Hilton Head Gardens	Hilton Head Island	Beaufort	Paige Miyazak, Vitus Development IV, LLC	\$ 1,079,008.25	112	Rehab of 112 family units at 60% AMI. 16 - studio, 16 - 1 bedroom, 64 - 2 bedroom, 16 - 3 bedroom	\$ 1,037,005.01	10/23/2023	12/31/2022
4	9/23/2021	2021 & Act 88	4%	42111	Spanish Trace	Beaufort	Beaufort	Samantha Cullen, Vitus Development IV, LLC	\$ 746,734.83	88	Rehab of 88 family units at 60% AMI. 36 - 1 bedroom, 32 - 2 bedroom, 16 - 3 bedroom, 4 - 4 bedroom	\$ 738,796.48	10/23/2023	12/31/2022
5	9/9/2021	2021 & Act 88	4%	42104	Connecticut Village	Gaffney	Spartanburg	Brooke Shorett, Vitus Development IV, LLC	\$ 841,108.80	105	Rehab of 105 family units at 60% AMI. 15 - 1 bedroom, 55 - 2 bedroom, 25 - 3 bedroom, 10 - 4 bedroom	\$ 802,486.04	10/24/2023	12/31/2022
6	9/23/2021	2021 & Act 88	4%	42107	Arrington Place	Columbia	Richland	Brooke Shorett, Vitus Development IV, LLC	\$ 605,138.35	68	Rehab of 68 family units at 60% AMI. 16 - 2 bedroom, 40 - 3 bedroom, 12 - 4 bedroom	\$ 605,138.35	10/24/2023	12/31/2022
7	11/12/2020	2020	9%	20001	Park at Blythewood/The Arden	Blythewood	Richland	Jody Tucker, Prestwick Companies	\$ 641,327.00	48	New Construction of 48 older persons units at 60% AMI. 24 - 1 bedroom, 24 - 2 bedroom	\$ 641,327.00	2/9/2023	12/30/2021
8	11/13/2020	2020	9%	20006	Seagrove Village	Estill	Hampton	George Baker, CAHEC Development, LLC	\$ 156,876.00	25	Rehab of 25 elderly persons units at 60% AMI. 25 - 1 bedroom	\$ 156,876.00	2/9/2023	11/24/2021
9	9/22/2020	2020	9%	19003	Woodford Trace	Aiken	Aiken	Hollis Fitch, Fitch Irick	\$ 538,195.00	48	New Construction of 48 family units at 60% AMI. 30 - 2 bedroom, 18 - 3 bedroom	\$ 536,194.00	5/11/2023	7/12/2022
10	11/13/2020	2020	9%	19008	Havenwood Woodland/Oakleaf Senior	Lancaster	Lancaster	Max Elbe, Lowcountry Housing Communities	\$ 724,539.00	50	New Construction of 50 older persons units at 60% AMI. 10 - 1 bedroom, 40 - 2 bedroom	\$ 724,539.00	6/22/2023	11/18/2022
11	11/3/2020	2020	9%	19011	Villages on Mill Street	Camden	Kershaw	Josh Thomason, Piedmont Housing Group	\$ 657,685.00	50	New Construction of 50 family units at 60% AMI. 10 -1 bedroom, 24 - 2 bedroom, 16 - 3 bedroom	\$ 657,685.00	8/4/2023	8/11/2022
12	8/24/2020	2020	9%	19010	The Refinery	Abbeville	Abbeville	Kevin White, NHT Communities	\$ 661,214.00	51	New Construction of 51 family units at 60% AMI. 9 - 1 bedroom, 21 - 2 bedroom, 21 - 3 bedroom	\$ 653,855.00	12/8/2023	2/28/2022

Final Amount of Annual State Tax Credits Issued at Placed in Service - 2023

	Date STC Letter Sent	Year of QAP	Program	ID	Development Name	City	County	Developer	Amount of Annual Tax Credits on STC Letter	TC Units	Public Benefit	Total Amount of Annual Credits Issued at PIS	Credits Issued Date	Placed in Service Date
13	11/13/2020	2020	9%	20004	Westwood Apartments	Manning	Clarendon	Gerald Krueger, American Community Developers, Inc.	\$ 379,389.00	48	Rehab of 48 family units at 60% AMI. 10 - 1 bedroom, 26 - 2 bedroom, 12 - 3 bedroom	\$ 379,389.00	12/21/2023	12/31/2022
14	11/13/2020	2020	9%	20005	Walhalla Gardens	Walhalla	Oconee	Gerald Krueger, American Community Developers, Inc.	\$ 501,380.00	68	Rehab of 68 family units at 60% AMI. 16 - 1 bedroom, 32 - 2 bedroom, 16 - 3 bedroom, 4 - 4 bedroom	\$ 501,380.00	12/21/2023	12/31/2022
15	11/13/2020	2020	9%	20013	Waterford Pointe	Myrtle Beach	Horry	Brad Queener, Bradley Developers	\$ 780,779.18	72	New Construction of 72 family units at 60% AMI. 36 - 2 bedroom, 36 - 3 bedroom	\$ 780,779.00	12/29/2023	2/10/2023
16	10/30/2020	2020	Bond	51902	Waters at Ribaut	Beaufort	Beaufort	Michael Nguyen, Atlantic Housing Foundation, Inc.	\$ 352,092.00	59	Rehab of 59 family units at 60% AMI. 39 - 2 bedroom, 20 - 3 bedroom	\$ 347,336.00	1/31/2023	7/30/2020
17	12/18/2020	2020	Bond	52026	Assembly II	Greenville	Greenville	Charlie Irick, Fitch Irick	\$ 890,320.00	144	New Construction of 144 family units at 60% AMI, 36 - 1 bedroom, 72 - 2 bedroom, and 36 - 3 bedroom	\$ 890,320.00	9/13/2023	7/8/2022
18	3/17/2021	2021 & Act 88	Bond	52012	Hickory Heights & Oakland	Abbeville	Abbeville	Craig Cobb, DGA Capital, LLC	\$ 713,958.80	112	Rehab of 112 family units at 60% AMI. 28 - 1 bedroom, 64 - 2 bedroom, 20 - 3 bedroom	\$ 607,717.45	9/28/2023	5/19/2022
19	12/22/2020	2020 & Act 88	Bond	52004	John G Felder	St. Matthews	Calhoun	Cissy Watson, Mansemar Development, LLC	\$ 254,310.00	40	Rehab of 40 elderly person units at 60% AMI. 10 - studio, 30 - 1 bedroom	\$ 203,448.00	11/16/2023	11/7/2022
20	12/22/2020	2020 & Act 88	Bond	52005	Palmetto Towers	Sumter	Sumter	Cissy Watson, Mansemar Development, LLC	\$ 747,815.00	95	Rehab of 95 elderly persons units at 60% AMI. 95 - 1 bedroom	\$ 660,386.00	11/16/2023	12/30/2022
21	12/22/2020	2020 & Act 88	Bond	52006	Redemption Towers	Summerville	Dorchester	Cissy Watson, Mansemar Development, LLC	\$ 895,091.25	95	Rehab of 95 elderly persons units at 60% AMI. 95 - 1 bedroom	\$ 716,073.00	11/16/2023	12/30/2022
Total Awarded:									\$ 13,274,426.46	Total Issued:		\$ 12,678,952.33		

State Tax Credit Allocation Summary

2022	
2022 Allotment	\$ 20,000,000.00
SCT Allocated 2022	\$ (14,524,869.00)
STC Remaining 2022	<u>\$ 5,475,131.00</u>
2023	
2023 Allotment	\$ 20,000,000.00
STC Remaining 2022	<u>\$ 5,475,131.00</u>
2023 Total Available	<u>\$ 25,475,131.00</u>
STC Allocated 2023 - Bonds	\$ (8,558,254.00)
*Remaining 2023 - unused from Act 88	\$ 16,916,877.00
**Recovered -S.C. Code § 12-6-3795 (B)(5)(b)	<u>\$ 2,287,718.18</u>
Total Remaining 2023	<u>\$ 19,204,595.18</u>
2024	
2024 Allotment	\$ 20,000,000.00
Remaining 2023	<u>\$ 19,204,595.18</u>
2024 Total Available	<u>\$ 39,204,595.18</u>
2024 TEB STC Amount (60%)	\$ 23,522,757.11
2024 9% STC Amount (40%)	\$ 15,681,838.07

* Act 88 consisted of \$16,916,877 (remaining from 2023) and \$12,889,152 (1.B.1 List) totaling \$29,806,029. STCs allocated under Act 88 total \$10,997,150.92. Pursuant to S.C. Code §12-6-3795 (B)(5)(b), the total amount of unallocated 2023 tax credits is included in this line item. However, unallocated tax credits from Act 202's 1.B.1. list have not been included in this line item due to Act 202's restrictions.

**Recovered STC - \$2,204,359 (Garden Park) and \$83,359.18 unused at PIS (Filbin Creek \$69,243; Woodford Trace \$2,001; The Refinery \$7,359; Waterford Pointe \$0.18 & Waters at Ribaut \$4,756)

SECTION 12-6-3795. South Carolina housing tax credit.

(A) As used in this section:

(1) "Eligibility statement" means a statement authorized and issued by the South Carolina State Housing and Finance Development Authority certifying that a given project qualifies for the South Carolina housing tax credit, including any preliminary determination thereof.

(2) "Federal housing tax credit" means the federal tax credit as provided in Section 42 of the Internal Revenue Code of 1986, as amended.

(3) "Median income" means those incomes that are determined by the federal Department of Housing and Urban Development guidelines and adjusted for family size.

(4) "Project" means a housing project that has restricted rents that do not exceed thirty percent of income for at least forty percent of its units occupied by persons or families having incomes of sixty percent or less of the median income, or at least twenty percent of the units occupied by persons or families having incomes of fifty percent or less of the median income.

(5) "Qualified project" means a qualified low-income building as that term is defined in Section 42 of the Internal Revenue Code of 1986, as amended, that is located in South Carolina and receives approval for tax credits from the South Carolina Housing and Finance Development Authority provided pursuant to this section.

(6) "Taxpayer" means a sole proprietor, partnership, corporation of any classification, limited liability company, or association taxable as a business entity that is subject to South Carolina taxes pursuant to Section 12-6-510, Section 12-6-530, Chapter 11, Title 12, or Chapter 7, Title 38.

(7) "Federal 9 percent tax credit" means the federal housing tax credit described in Section 42(b)(1)(B)(i) of the Internal Revenue Code.

(8) "Federal 4 percent tax credit" means the federal housing tax credit described in Section 42(b)(1)(B)(ii) of the Internal Revenue Code.

(9) "Credit period" has the meaning defined in Section 42(f)(1) of the Internal Revenue Code.

(10) "State housing authority" means the South Carolina State Housing Finance and Development Authority.

(11) "Department of Revenue" means the South Carolina Department of Revenue.

(B)(1) A state tax credit pursuant to this section may be claimed against income taxes imposed by Section 12-6-510 or 12-6-530, bank taxes imposed pursuant to Chapter 11, Title 12, corporate license fees imposed pursuant to Chapter 20, Title 12, and insurance premium and retaliatory taxes imposed pursuant to Chapter 7, Title 38, to be termed the South Carolina housing tax credit, and is allowed with respect to each qualified project placed in service after January 1, 2020, and before December 31, 2030, in an amount not to exceed the federal housing tax credit allowed with respect to such qualified project, subject to the limitations of item (5). In computing a tax payable by a taxpayer pursuant to Section 38-7-90, the credit allowed pursuant to this section must be treated as a premium tax paid pursuant to Section 38-7-20.

(2)(a) If under Section 42 of the Internal Revenue Code of 1986, as amended, a portion of any federal housing tax credit taken on a project is required to be recaptured, the taxpayer claiming any South Carolina housing tax credit with respect to such project also is required to recapture a portion of any South Carolina housing tax credit authorized by this section. The state recapture amount is equal to the proportion of the South Carolina housing tax credit claimed by the taxpayer that equals the proportion the federal recapture amount bears to the original federal housing tax credit amount subject to recapture.

(b) In the event that recapture of any South Carolina housing tax credit is required, any return submitted to the Department of Revenue, as provided in this section, shall include the proportion of the South Carolina housing tax credit required to be recaptured, the identity of each taxpayer subject to the recapture, and the amount of South Carolina housing tax credit previously allocated to such taxpayer. Any recapture of the South Carolina housing tax credit is reported in the same manner as any recapture of the federal housing tax credit.

(3) The total amount of the South Carolina housing tax credit allowed by this section for a taxable year may not exceed the taxpayer's income tax liability. Any unused South Carolina housing tax credit may be

carried forward to apply to the taxpayer's next five succeeding years' tax liability. The taxpayer may not apply the credit against any prior tax years' tax liability.

(4) The South Carolina housing tax credit and any recaptured tax credit, must be allocated among some or all of the partners, members, or shareholders of the entity owning the project in any manner agreed to by such persons, regardless of whether such persons are allocated or allowed any portion of the federal housing tax credit with respect to the project.

(5)(a) The South Carolina housing tax credit allowed for any project must supplement but not supplant the federal housing tax credit and must be limited to an amount necessary only to achieve financial feasibility of the project.

(b) The total amount of all South Carolina housing tax credits that may be allocated in any calendar year must not exceed twenty million dollars, plus the total of all unallocated tax credits, if any, for any preceding years, and the total amount of any previously allocated tax credits that have been recaptured, revoked, canceled, or otherwise recovered but not otherwise reallocated.

(c) Of the dollar limitation prescribed in subitem (b), the total amount of South Carolina housing tax credits allocated to qualified projects utilizing the federal 9 percent tax credit must not exceed forty percent of the dollar limitation prescribed in subitem (b). Of the South Carolina housing tax credits allocated to qualified projects utilizing the federal 9 percent tax credit, no less than fifty percent of the South Carolina housing tax credits must be allocated to qualified projects located in an eligible rural area as designated by the United States Department of Agriculture, with the remainder allocated to (i) qualified projects serving older persons or persons with special needs, irrespective of rural eligibility criteria; (ii) qualified projects supporting workforce development as certified by the South Carolina Department of Commerce, irrespective of rural eligibility criteria; and (iii) other qualified projects, irrespective of rural eligibility criteria.

(d) Compliance with the dollar limitations of subitems (b) and (c) must be determined by the total amount of South Carolina housing tax credits allocated for one full year of the credit period applicable to each qualified project, and not the total amount of South Carolina housing tax credits allocated for the entire credit period applicable to each qualified project. Compliance with the dollar limitations of subitems (b) and (c) must be determined within each calendar year at the time the state housing authority makes a preliminary determination of any qualified project's eligibility for the South Carolina housing tax credit.

(e) In addition to the dollar limitation of subitem (b), allocation of any South Carolina housing tax credit to any qualified project utilizing the federal 4 percent tax credit is conditioned on among other things availability and allocation to the extent necessary for the qualified project of any state ceiling made pursuant to Article 3, Chapter 11, Title 1.

(C)(1) The state housing authority shall promulgate rules establishing criteria upon which the eligibility statements are issued which must include consideration of evidence of local support for the project. The eligibility statement must specify the amount of the South Carolina housing tax credit allowed, and must include: (i) the annual amount of South Carolina housing tax credit allocated to the qualified project for each year of credit the period; and (ii) the total amount of South Carolina housing tax credit allocated to the qualified project for the entire credit period.

(2) The state housing authority may not issue an eligibility statement until the taxpayer provides a report to the state housing authority detailing how the South Carolina housing tax credit will benefit the tenants of the project, once placed in service, including without limitation, reduced rent, and why the South Carolina housing tax credit is essential to the financial feasibility of the project.

(3) The state housing authority must establish uniform criteria for allocating the South Carolina housing tax credit to eligible projects pursuant to a competitive process that promotes highest value and greatest public benefit. The state housing authority must establish the criteria required by this section as part of any qualified allocation plan adopted to administer the federal housing tax credit, which must include without limitation: (i) written notice by the state housing authority to the county and city within which any project is proposed to be located; (ii) following such notice, an opportunity for public comment on the proposed project at a public hearing conducted by the state housing authority no less than ten business days following notice of such public hearing, notification of which must be made by publication in a newspaper

of general circulation in the county and city within which the proposed project is to be located; and (iii) an opportunity for the county and the city within which the project is proposed to be located to provide comment within no less than ten business days following such public hearing. The criteria established pursuant to this section, and any qualified allocation plan, are subject to the prior review and comment of the Joint Bond Review Committee.

(4) The state housing authority must furnish no later than January thirty-first of each year an annual report of South Carolina housing tax credits allocated pursuant to this section, which must include for the preceding calendar year the total amount of South Carolina housing tax credits allocated, and for each project, the project name and location, the amount of the South Carolina housing tax credits allocated to the project, project ownership, total number of units assisted, and the public benefit achieved by the project. The annual report must be furnished to the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, the Chairman of the House of Representatives Ways and Means Committee, the Joint Bond Review Committee, and the State Fiscal Accountability Authority.

(D) The Department of Revenue, in consultation with the state housing authority, may adopt rules and policies necessary to implement and administer the provisions of this section; provided, however, that the state housing authority has the responsibility for: (i) allocation and administration of the South Carolina housing tax credit; and (ii) ensuring that the limits prescribed by subsection (B)(5)(b) and (c) are not exceeded.

(E) Notwithstanding any other provision of law, the provisions of this section and administration thereof are subject to the oversight, and review and comment as appropriate, of the Joint Bond Review Committee.

HISTORY: 2020 Act No. 137 (H.3998), Section 2, eff May 14, 2020; 2022 Act No. 202 (H.5075), Section 1.A, eff May 16, 2022.

Editor's Note

2020 Act No. 137, Sections 1 and 4, provide as follows:

"SECTION 1. This act may be cited as the 'Workforce and Senior Affordable Housing Act'."

"SECTION 4. This act takes effect upon approval by the Governor and first applies to qualified projects that receive an eligibility statement pursuant to Section 12-6-3795 thereafter."

2022 Act No. 202, Sections 1.B, 1.C, provide as follows:

"[SECTION 1.]B. 1. Notwithstanding the limitations prescribed by Section 12-6-3795(B)(5)(b), (c), and (d) in SECTION 1. A., the General Assembly hereby provides a one-time authorization of South Carolina housing tax credits in an amount necessary but not exceeding one hundred million dollars for qualified projects approved before December 31, 2021, by the State Fiscal Accountability Authority or the South Carolina State Housing and Finance Development Authority, as applicable. Any allocations of South Carolina housing tax credits made pursuant to this provision are subject to the review and comment of the Joint Bond Review Committee. No later than thirty days following enactment hereof, the South Carolina State Housing and Finance Development Authority must identify and report to the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, the Chairman of the House of Representatives Ways and Means Committee, the Joint Bond Review Committee, and the State Fiscal Accountability Authority all qualified projects to which this one-time authorization of South Carolina housing tax credits is proposed to apply. The report must be made in such form and substance as may be directed by the Joint Bond Review Committee. Nothing in this provision grants any rights to, or in the processes used in the determination of, allocation of this one-time authorization of South Carolina housing tax credits. Decisions made pursuant to this provision are final and are not subject to judicial or administrative review.

"2. This subsection B takes effect upon approval by the Governor.

"C. This SECTION takes effect upon approval by the Governor and first applies to tax years beginning after 2021."

2023 Act No. 88, provides as follows:

"Whereas, Act 137 of 2020 amended the South Carolina Code to enact the "Workforce and Senior Affordable Housing Act" by adding Section 12-6-3795 so as to allow a taxpayer eligible for the Federal Housing Tax Credit to claim a South Carolina Housing Tax Credit; and

"Whereas, following the enactment of Act 137 of 2020 and through December 31, 2021, preliminary determinations of eligibility for the South Carolina Housing Tax Credit totaled approximately \$100 million annually and approximately \$1 billion for the ten-year term of the South Carolina Housing Tax Credit, far exceeding the estimated fiscal impact on the general fund at the time of enactment of approximately \$2.1 million annually and \$20.6 million for the ten-year term of the South Carolina Housing Tax Credit; and

"Whereas, following study and a determination that the actual fiscal impact of the South Carolina Housing Tax Credit on the general fund was not sustainable, Act 202 of 2022 amended Section 12-6-3795 to, among other things, limit the South Carolina Housing Tax Credit; and

"Whereas, Section 1.B.1 of Act 202 of 2022 provided for a one-time authorization of South Carolina Housing Tax Credits in an amount necessary but not exceeding \$100 million dollars to ratify amounts reflected in preliminary determination statements for qualified projects approved before December 31, 2021, with any allocations of South Carolina Housing Tax Credits made pursuant to this provision subject to the review and comment of the Joint Bond Review Committee; and

"Whereas, in accordance with Section 1.B.1 of Act 202, the South Carolina State Housing Finance and Development Authority provided a report to, among others, the Joint Bond Review Committee identifying all qualified projects to which the \$100 million one-time authorization provided in Section 1.B.1 of Act 202 of 2022 was proposed to apply; and

"Whereas, on August 23, 2022, the Joint Bond Review Committee determined that the amount of South Carolina Housing Tax Credits applicable to projects qualified for the one-time authorization provided pursuant to Section 1.B.1 of Act 202 of 2022 was \$87,110,848; and

"Whereas, it has been asserted that escalations in costs of construction and materials, increases in interest rates, and other factors have negatively impacted the financial feasibility of certain projects to the extent that such projects face a threat that they cannot be completed in the absence of supplemental funding; and

"Whereas, there remains available \$12,889,152 in South Carolina Housing Tax Credits pursuant to the one-time authorization provided in Section 1.B.1 of Act 202 of 2022; and

"Whereas, there remains available for the tax year ending December 31, 2023, a total of \$16,916,877 in South Carolina Housing Tax Credits, comprised of the amounts of \$6,726,825 and \$10,190,052 for allocation pursuant to Section 12-6-3795 to qualified projects utilizing the federal four percent tax credit and the federal nine percent tax credit, respectively; and

"Whereas, there is available no less than \$25 million in undesignated funding held in the South Carolina Housing Trust Fund established pursuant to Article 4, Chapter 13, Title 31 of the South Carolina Code. Now, therefore,

"Be it enacted by the General Assembly of the State of South Carolina:

"SECTION 1. The General Assembly hereby provides a one-time authorization of South Carolina Housing Tax Credits pursuant to and for the purposes described in this joint resolution in an amount necessary but not exceeding \$29,806,029, comprised of \$12,889,152 remaining available from the one-time authorization of South Carolina Housing Tax Credits provided in Section 1.B.1 of Act 202 of 2022, and a total of \$16,916,877 remaining available for allocations for the tax year ending December 31, 2023, pursuant to Section 12-6-3795. In addition to the foregoing, the General Assembly hereby authorizes pursuant to and for the purposes described in this joint resolution an amount necessary but not exceeding \$25,000,000 from the undesignated balance held in the South Carolina Housing Trust Fund established pursuant to Article 4, Chapter 13, Title 31 of the South Carolina Code, as nonrecurring, one-time funding, and not as South Carolina Housing Tax Credits. No later than June 30, 2023, the State Housing Finance and Development Authority must develop a plan to allocate the South Carolina Housing Tax Credits and nonrecurring, one-time funding made available pursuant to this joint resolution as supplemental financial support to certain multifamily housing projects that had by March 31, 2023, received a tentative allocation of South Carolina Housing Tax Credits pursuant to Act 202 of 2022. The plan, and any project allocations proposed thereunder, must be submitted to the Joint Bond Review Committee for review and comment prior to

awarding any South Carolina Housing Tax Credits or nonrecurring, one-time funding made available pursuant to this joint resolution.

"SECTION 2. The plan must be provided in such form and substance as the Joint Bond Review Committee may prescribe, and must include for each project, the project name and location; the amount of any South Carolina Housing Tax Credits, state ceiling, or both, previously allocated to the project; project ownership; the total number of units assisted; any supplemental South Carolina Housing Tax Credits or nonrecurring, one-time funding proposed to be made available to the project pursuant to this joint resolution; and any supplemental amount of state ceiling, if any, proposed for allocation to the project. The plan must further include for each project a disclosure of every affiliate or other related legal entity having a direct or beneficial interest in the development of the project.

"SECTION 3. Any supplemental South Carolina Housing Tax Credits or nonrecurring, one-time funding made available pursuant to this joint resolution must be limited to the amount necessary to provide supplemental financial support to projects that (1) are under construction; and (2) have demonstrated independently verified costs exceeding original estimates as a consequence of escalations in costs of construction and materials, increases in interest rates, and such other extenuating factors as may be recommended by the State Housing Finance and Development Authority, subject to the review and comment of the Joint Bond Review Committee; provided, however, that no single project may receive an allocation of more than the lesser of (1) the actual amount of South Carolina Housing Tax Credits and nonrecurring, one-time funding made available pursuant to this joint resolution necessary to achieve financial feasibility of the project based on the independently verified costs exceeding the original estimate for the project; or (2) twenty percent of the South Carolina Housing Tax Credit reflected on the eligibility statement, as defined in Section 12-6-3795(A)(1), previously furnished for the project by the State Housing Finance and Development Authority; further provided, however, that the State Housing Finance and Development Authority may recommend, subject to the review of the Joint Bond Review Committee, a de minimus adjustment not exceeding five percent beyond the limitations of this SECTION to promote financial feasibility of the project in marginal circumstances. Project sponsors must have requested consideration of and provided justification for any costs in excess of original estimates to the State Housing Finance and Development Authority no later than March 31, 2023.

"SECTION 4. The plan must conform with such provisions of the Qualified Allocation Plan and the State Ceiling Allocation Plan as the State Housing Finance and Development Authority may recommend to be applicable to any supplemental South Carolina Housing Tax Credits or nonrecurring, one-time funding made available pursuant to this joint resolution; provided, however, that priority must be given to projects with highest rates of completion and earliest dates that the projects are expected to be placed in service.

"SECTION 5. Nothing in this joint resolution grants any rights to, or in the processes used in, the determination of any South Carolina Housing Tax Credits or nonrecurring, one-time funding made available pursuant to this joint resolution.

"SECTION 6. The State Housing Finance and Development Authority may require, as a condition of any supplemental South Carolina Housing Tax Credits or nonrecurring, one-time funding made available pursuant to the plan required by SECTION 1 and this joint resolution, an agreement from the project sponsor that the South Carolina Housing Tax Credits and any nonrecurring, one-time funding allocated to the project are deemed final, without recourse.

"SECTION 7. Any unallocated South Carolina Housing Tax Credits and nonrecurring, one-time funding made available pursuant to this joint resolution may be carried forward for allocation beyond the current tax year ending December 31, 2023, provided the unallocated South Carolina Housing Tax Credits and nonrecurring, one-time funding are limited to the purposes and subject to the provisions of this joint resolution.

"SECTION 8. The allocation requirements of Section 12-6-3795(B)(5)(c) are suspended for the tax year ending December 31, 2023.

"SECTION 9. The provisions of Article 4, Chapter 13, Title 31 of the South Carolina Code are suspended in the amount of \$25 million for the tax year ending December 31, 2023, and beyond December 31, 2023, but only to the extent of any amounts carried forward pursuant to SECTION 7 of this joint resolution.

"SECTION 10. In addition to the other amounts made available by this joint resolution, the General Assembly hereby authorizes the State Housing Finance and Development Authority to allocate an amount necessary but not exceeding fifty percent of the federal low-income housing tax credit allocated to this State for the tax year ending December 31, 2023, as supplemental financial support to certain multifamily housing projects utilizing federal nine percent tax credits as defined in Section 12-6-3795(A)(7) that had by March 31, 2023, requested consideration of and provided justification for any costs in excess of original estimates to the State Housing Finance and Development Authority. Any allocations of federal tax credits made pursuant to this SECTION must be included and coordinated within the plan required pursuant to SECTION 1, and are subject to, without limitation, the same requirements, determinations, limitations, and other provisions as are applicable to the State Housing Tax Credits included in SECTIONS 1 through 7 of this joint resolution.

"SECTION 11. This joint resolution takes effect upon approval by the Governor."

Effect of Amendment

2022 Act No. 202, Section 1.A, rewrote the section, providing a one-time authorization of South Carolina housing tax credits for certain projects approved before 2022.

AGENCY: Executive Director

SUBJECT: Revenue Bonds (State Housing Finance and Development Authority)

The required review on the following proposal to issue revenue bonds has been completed with satisfactory results. The project require approval under State law.

- a. Issuing Authority: State Housing Finance and Development Authority
 - Amount of Issue: N/E \$20,000,000 Multifamily Housing Revenue Bonds
 - Allocation Needed: \$20,000,000 of ceiling allocation carryforward will be used
 - Name of Project: Settlement Manor Apartments
 - Employment Impact: n/a
 - Project Description: finance the acquisition, construction and equipping of approximately 120-unit multifamily affordable housing development located in the city of Greenville, Greenville County, South Carolina, to be known as Settlement Manor Apartments.
 - Bond Counsel: Emily Zackon, Parker Poe Adams & Bernstein LLP

AUTHORITY ACTION REQUESTED:

Adopt the resolution approving the referenced proposal to issue revenue bonds for the State Housing Finance and Development Authority.

ATTACHMENTS:

Resolution



OFFICE OF STATE TREASURER

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

SFAA Approval Date:

03/26/24

1. ISSUER & FINANCING INFORMATION

Issuer: SC State Housing Finance and Development Authority Series: 2024
Borrower (if not Issuer): Hallmark Settlement Manor, LP
Bond Caption: Series 2024
Bond Resolution Amount: \$ 20,000,000 Est. Production/Par Amt: \$ 8,000,000

Submitted By:

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

Transaction Type/Method of Sale:

Public Offering: Comp: Neg: X
Direct Placement: Comp: Neg:
Govt Loan/Purchaser:
Other:

2. FINANCING (NEW PORTION)

Project Name: Settlement Manor Apartments
Project Address/Location: East Settlement Road (no address assigned) 29617 Amount: \$ -
Project Type: Multifamily Housing County: Greenville
Projected Avg Interest Rate: TBD Final Maturity: Estimated 1/1/2044
Number of Units: 120 SC SHA LTR TC (1-YR): \$ 1,383,910
Projected Cost per Unit: \$ 271,828 SC SHA LTR TC (10-YR): \$ 13,839,099
LIHTC/SCTC (SYND): \$ 12,841,499 / \$6,918,858

3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	Int. Rate of Ref Bds	Yield of Ref Bds	Est NPV Svgs. (\$)
		\$ -	0.00%	0.00%	\$ -
		-	0.00%	0.00%	-
		-	0.00%	0.00%	-
Total		\$ -	*****		\$ -

4. FINANCING WORKING GROUP

Financial Advisor: N/A Disclosure Counsel: TBD
Bond Counsel: Parker Poe Adams & Bernstein LLP Issuer's Counsel: LeeAnn Watson (General Couns
Underwriter: TBD Trustee: TBD
Paying Agent: TBD Other: N/A

5. FINANCING/PROJECT DESCRIPTION: (Explain the multifamily development project, the justification for the SC Housing Tax Credit, the anticipated costs, & the basis for these cost estimates)

The South Carolina State Housing Finance and Development Authority ("SC Housing"), has proposed to issue its multifamily housing revenue bonds or notes (Settlement Manor Apartments Project), in the aggregate principal amount of not exceeding \$20,000,000 for the purpose of funding a mortgage loan to Hallmark Settlement Manor, LP, a South Carolina limited partnership (the "Sponsor"), to provide a portion of the financing needed for the acquisition, construction and equipping of an approximately 120-unit multifamily affordable housing development located in Greenville County, South Carolina, known as Settlement Manor Apartments (the "Project"). The Sponsor intends to finance a portion of the Project using State and Federal Low-Income Housing Tax Credits. The Project has received its ranking and recommendation from SC Housing. The proceeds from the sale of the State Tax Credits will allow the Sponsor to complete the Project in accordance with the design standards of the SC QAP notwithstanding the increasing construction prices and interest rates. Without the State Tax Credits the project would not be feasible. This is a new request to issue \$20MM in bonds or notes which would utilize \$20MM in SC Housing Multifamily ceiling allocation carryforward.

6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Authority Approval:	02/01/24	Preliminary Resolution
JBRC Approval:	00/00/00	N/A
SFAA Approval:	03/26/24	Proposed

7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

Yes No

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

X

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

X

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

Sq. Footage - Project
Cost Estimate \$ -

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

Bond Proceeds	FYE	Spend Down Schedule Notes
\$ 2,440,000	12/31/2024	Closing, Acq of land, site work
5,339,000	6/30/2026	Construction
-		
\$ 7,779,000		

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

Sources	A. Project Budget Construction (Sources)	B. Project Budget Permanent (Sources)
(1) Bond Proceeds: (a) Par	\$ 7,779,000	\$ -
(b) Premium/Accr. Int.	-	1,907,248
(2) Issuer/Borrower Contr.	-	-
(3) Debt Service Fund Trans.	-	-
(4) Debt Service Reserve Fund Contribution	-	-
(5) Other MFHRB Sources		
(a) LIHTC	-	12,841,499
(a) State Housing TC	-	6,918,858
(c) Owner's Equity/Other	-	1,424,759
(d) Mortgage Loan (BTO)	21,180,000	9,527,000
Total Project Sources	\$ 28,959,000	\$ 32,619,364
Surplus/Deficit		\$ -

Project Budget (Uses)	Uses
\$ 23,062,501	Project Fund
3,008,820	Capitalized Interest Fund
-	Debt Service Reserve Fund
-	Redemption Price/Escrow Deposit
434,338	Cost of Issuance (Incl. UW Disc.)
-	Other (Contingency)
3,000,000	Developer Fee
710,948	Reserves
440,000	Acquisition
1,464,254	Permanent Financing Fees and Cost
498,503	Third party reports/soft costs
\$ 32,619,364	Total Project Uses

9. TOTAL ESTIMATED BOND COI EXPENDITURES

COI Description	Cost Of Issuance Vendor Name	Est. Fee For Services
Financial Advisor		\$ -
Bond Counsel		65,000
Disclosure Counsel		35,000
Issuer's Counsel		-
Underwriter's Counsel		50,000
Transaction Counsel		-
Legal Expenses		-
Rating Agency - S&P	S&P Global Ratings	2,500
Rating Agency - Moody's	Moody's Investor Service, Inc.	2,500
Rating Agency - Fitch	Fitch Ratings, Inc.	2,500
Underwriter's Compensation		131,543
Registrar / Paying Agent		-
Trustee Fee		15,000
Verification Agent		-
Printing/Publishing/Advertising		500
Other		-
Issuer's Fee	Authority Fees	129,795
		\$ 434,338

Est. COI Fees (% of Production):

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

0.00%
0.81%
1.88%
0.09%

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

1.64%
1.82%
5.43%



Emily W. Zackon

Associate

t: 803.253.6867

f: 803.255.8017

emilyzackon@parkerpoe.com

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

March 19, 2024

UPLOADED TO LIQUID FILES

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

Re: SC State Housing - Request for Approval of Issuance of Multifamily Housing Revenue Bonds or Notes for Settlement Manor Apartments

Dear Delbert:

In accordance with the 2024 South Carolina State Ceiling Allocation Plan (“**Plan**”) and Section 1-11-530 of the Code of Laws of South Carolina 1976, as amended (“**Act**”), we are making this submission for proposed inclusion on the March 26, 2024, meeting agenda of the State Fiscal Accountability Authority (“**State Authority**”).

Project Summary

This submission pertains to a proposed issuance of multifamily housing revenue bonds or notes (“**Bonds**”) by the South Carolina State Housing Finance and Development Authority (“**State Housing**”) to finance a portion of the costs of a new multifamily affordable housing development located in Greenville County, South Carolina (“**County**”) to be known as the Settlement Manor Apartments (“**Project**”). In addition to the proceeds of the Bonds, the balance of the cost of the Project is expected to be financed through both federal and state low income tax credit equity. The Project will consist of approximately 120 dwelling units all of which will be reserved for low-income tenants. The units are comprised of a mix of 1BR units (30), 2BR units (60) and 3BR units (30). The expected total hard construction costs per unit is approximately \$226,523.

Approvals by State Housing

State Housing has tentatively allocated \$20,000,000 of its carry-forward volume cap available to the Project and provided preliminary authorization on February 1, 2024, for the issuance of the Bonds in an amount not to exceed \$20,000,000.

Compliance with the Plan

Section P of the Plan enumerates the requirements of a submission for approval, each of which is addressed below:

1. Because the Bonds have been tentatively granted a portion of State Housing's carry-forward allocation, we are only submitting a request for approval of the issuance of the Bonds.
2. Not applicable to this request.
3. Not applicable to this request.
4. The Project has received a 42M Letter and a Preliminary Determination Letter from State Housing. Both items are included with this submission. We note that State Housing received no comments from Greenville County following State Housing's publication and delivery of written notice and conduct of a public hearing in accordance with Section 12-6-3795(C)(3).
5. The petition of State Housing to the State Authority contains the required acknowledgement and representation.
6. Not applicable to this request.
7. State Housing's definitive recommendation and ranking, which included the Project, was submitted to the Joint Bond Review Committee and approved on March 22, 2023 and August 22, 2023.
8. Not applicable to this request.
9. Not applicable to this request.
10. Not applicable to this request.
11. Not applicable to this request.
12. Completed (see no. 7 above).

Compliance with the Act

In accordance with the Act, this submission includes State Housing's Petition ("***Petition***") and its Preliminary Bond Resolution approved on February 1, 2024 ("***Resolution***").

Documents Provided

In support of this request, and in compliance with the Plan, the Act and pre-Act 202 submission requirements, please find the following documents enclosed:

- A. a completed State Authority transmittal form;
- B. the Resolution;
- C. the Petition;
- D. a form of the approving Resolution to be considered for adoption by the State Authority on March 26, 2024;
- E. a form of a Notice of Action;
- F. a form of bond counsel's opinion letter;
- G. a 42M Letter relating to the Project;

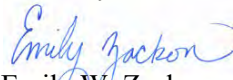
- H. a Preliminary Determination Letter relating to the Project; and
- I. Private Participant Disclosure Form for the sponsor of the Project.

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

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

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

Sincerely,


Emily W. Zackon

Enclosures: stated

cc: Lee Ann Watson, General Counsel
South Carolina State Housing Finance and Development Authority
(via email: LeeAnn.Watson@schousing.com)

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: 3/19/2024

Submitted for SFAA Meeting on:
3/26/2024

FROM: Parker Poe Adams & Bernstein LLP

1221 Main Street, Suite 1100
Columbia, SC 29201
803-255-8000

RE: *SC State Housing - Request for Approval of Issuance of Multifamily Housing Revenue Bonds or Notes for Settlement Manor Apartments*

Project Issue Date: 6/26/2024

Project Name: Settlement Manor Apartments Project

Project Description: The Settlement Manor Apartments is a new construction multifamily affordable housing development located in Greenville County, South Carolina. The Project will consist of approximately 120 dwelling units, all of which will be reserved for low-income tenants.

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

	YES	NO	AMOUNT
Ceiling Allocation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ 20,000,000 (SC Housing's carryforward)
Refunding Involved	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.
Project Approved Previously	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.

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

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

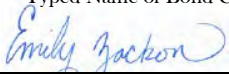
- A. ☒ Petition
- B. ☒ Resolution or Ordinance
- C. ☒ Inducement Resolution or comparable preliminary approval
- D. ☐ Department of Health and Environmental Control Certificate *if required*
- E. ☒ State Fiscal Accountability Authority Resolution and Public Notice *(original)*
Plus _____ copies for certification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

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

Payor: Click or tap here to enter text.

- H. ☐ No Private Participant will be known at the time the Authority considers this agenda item.
- J. ☒ This agenda item is accompanied by the applicable Private Party Disclosure form for each private participant.

Bond Counsel: Parker Poe Adams & Bernstein LLP
Typed Name of Bond Counsel

By: 
Signature

SFAA 12/21/2020

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

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)
)

PETITION

TO THE STATE FISCAL ACCOUNTABILITY
AUTHORITY OF SOUTH CAROLINA

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)
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)

SETTLEMENT MANOR
APARTMENTS PROJECT

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

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

2. Hallmark Settlement Manor, LP (the “**Sponsor**”), has applied to and requested the Authority to assist the Sponsor by issuing its bonds or notes, anticipated to be designated as Multifamily Housing Revenue Bonds or Notes (Settlement Manor Apartments Project) Series 2024 (“**Bonds**”), in the aggregate principal amount of not exceeding \$20,000,000 for the acquisition, construction and equipping of an approximately 120-unit multifamily development located in the City of Greenville, Greenville County, South Carolina, to be known as Settlement Manor (the “**Project**”).

3. The Authority has preliminarily approved the issuance of the Bonds pursuant to a resolution adopted on February 1, 2024, to provide funds to make a mortgage loan to the Sponsor for the acquisition, construction and equipping of the Project, to establish the necessary reserve funds and to pay the costs and expenses incurred in connection with the issuance of the Bonds.

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

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

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

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

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

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

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

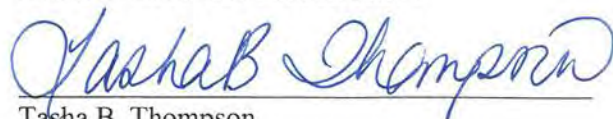
10. The Authority will produce any further information with respect to the Bonds required by the SFAA.

11. Based on information provided by the Sponsor to the Authority, the Authority represents that the Bonds in the amount of not exceeding \$20,000,000 constitutes all of the private activity bond financing contemplated at the time for the Project and any other facilities located at or used as a part of an integrated operation with the Project. Any amount of volume cap allocation subsequently requested will constitute a new request.

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

Respectfully submitted,

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



Tasha B. Thompson
Assistant General Counsel

February 12, 2024

A RESOLUTION

MAKING PRELIMINARY PROVISION FOR THE ISSUANCE OF NOT EXCEEDING \$20,000,000 AGGREGATE PRINCIPAL AMOUNT OF MULTIFAMILY HOUSING REVENUE BONDS OR NOTES (SETTLEMENT MANOR APARTMENTS PROJECT) SERIES 2024 OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY AND OTHER MATTERS RELATED THERETO.

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

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

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

WHEREAS, Hallmark Settlement Manor, LP, a limited partnership duly organized under the laws of the State of South Carolina (the "**Sponsor**"), has applied to and requested the Authority to assist the Sponsor by issuing the Authority's bonds or notes to be known as Multifamily Housing Revenue Bonds or Notes (Settlement Manor Apartments Project) Series 2024, in the aggregate principal amount of not exceeding \$20,000,000 for the purpose of making a loan (the "**Mortgage Loan**") to the Sponsor for the acquisition, construction and equipping of an approximately 120-unit apartment development located in the City of Greenville, Greenville County, South Carolina, to be known as Settlement Manor Apartments (the "**Project**").

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

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

Section 2. Undertakings of the Authority. In the event the Sponsor meets the requirements set forth herein and in the Act and in order to provide the moneys required to finance the Mortgage Loan, to establish the necessary reserve funds and to pay the costs and expenses incurred in connection therewith, the Authority will undertake to issue bonds or notes to be designated as "South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds or Notes (Settlement Manor Apartments Project) Series 2024" (with any appropriate series or subseries designations) in the aggregate principal amount of not exceeding \$20,000,000 (the "**Bonds**").

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

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

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

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

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

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

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

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

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

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

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

Section 6. No Waiver of Existing Rights of Authority. Notwithstanding anything herein to the contrary, nothing in this resolution shall be construed as a waiver of any default under an existing

mortgage loan or a modification of any rights of the Authority, and no such waiver or modification shall be effected except by the express written agreement of the Authority delivered subsequent to the date hereof.

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

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

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

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

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

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

STATE OF SOUTH CAROLINA

COUNTY OF LEXINGTON

I, the undersigned Secretary of the Board of Commissioners (the “**Board of Commissioners**”) of the South Carolina State Housing Finance and Development Authority (the “**Authority**”) do hereby certify that I am the duly qualified and acting Secretary to the Board of Commissioners and as such further certify that attached hereto is a true and correct copy of the Resolution adopted by the Bond Committee of the Board of Commissioners of the Authority at a meeting duly called and held on the 1st day of February 2024, at which meeting a quorum was present and acting throughout, and that said Resolution has not been modified, amended, or repealed and is in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Authority this _____ day of February 2024.

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

By:



Richard A. Hutto, Secretary
Board of Commissioners

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH
CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT
AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE
BONDS OR NOTES (SETTLEMENT MANOR APARTMENTS
PROJECT) SERIES 2024**

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

WHEREAS, Hallmark Settlement Manor, LP, a South Carolina limited partnership (the “Sponsor”), has requested the Authority to assist it in an undertaking to acquire, construct and equip a multifamily affordable housing development, consisting of approximately 120 units, located in Greenville County, South Carolina (the “Project”); and

WHEREAS, in order to provide money to acquire, construct and equip the Project, the Authority proposes to issue its bonds or notes to be known as South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds or Notes (Settlement Manor Apartments Project) Series 2024 in an aggregate principal amount of not exceeding \$20,000,000 (the “Bonds”); and

WHEREAS, the Authority has presented to the SFAA its Petition dated as of February 12, 2024 (the “Petition”), which sets forth certain information with respect to the Bonds.

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

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

Section 2. Subject to the conditions set forth in Section 3, approval is hereby granted by the SFAA to the execution and delivery by the Authority of its bonds or notes to be designated as the South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds or Notes (Settlement Manor Apartments Project), or such other designation as the Board of Commissioners of the Authority may determine, in the principal amount of not exceeding \$20,000,000.

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

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

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

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

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

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

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

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



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

March 19, 2024

State Fiscal Accountability Authority
Columbia, South Carolina

South Carolina Attorney General
Columbia, South Carolina

Re: *Not Exceeding \$20,000,000 South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds or Notes (Settlement Manor Apartments Project)*

Ladies and Gentlemen:

We are acting as bond counsel in connection with the issuance by the South Carolina State Housing Finance and Development Authority, as issuer and governmental lender (“**Issuer**”), of its not exceeding \$20,000,000 South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds or Notes (Settlement Manor Apartments Project) (“**Bonds**”).

At the request of the State Fiscal Accountability Authority (“**SFAA**”), we are delivering this opinion in connection with the SFAA’s consideration of the issuance of the Bonds pursuant to Section 31-13-90 of the Code of Laws of South Carolina 1976, as amended (the “**Act**”).

The primary purpose of the issuance of the Bonds is to fund a portion of the acquisition, construction and equipping of a multifamily affordable housing development located in Greenville County, South Carolina to be known as the Settlement Manor Apartments. The Bonds are expected to be issued pursuant to the terms of an trust indenture or funding loan agreement (“**Indenture**”), between the Issuer and a trustee (the “**Trustee**”), the proceeds of which will be used, in part, to fund the loan to Hallmark Settlement Manor, LP (“**Borrower**”) pursuant to the terms of the related loan agreement (“**Loan Agreement**”).

In our capacity as Bond Counsel, we have examined a form of the preliminary resolution adopted by the Issuer on February 1, 2024, a Petition of the Issuer to the SFAA requesting that the SFAA approve the issuance of the Bonds, a form of the resolution of the SFAA approving the issuance of the Bonds (“**Resolution**”). We are familiar with the forms of the Indenture and the Loan Agreement (collectively, the “**Transaction Documents**”) used in connection with issuance and loan of the proceeds of the Bonds. We have reviewed such other records and documents as we have considered necessary or appropriate in rendering the opinions set forth herein.

As to questions of fact material to the opinions hereinafter expressed, we have relied solely upon our experience with the forms of the Transaction Documents, and upon representations of the Issuer and the

Borrower made in connection with the application by the Borrower to the Issuer, without undertaking to verify the same by independent investigation.

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

Based upon the foregoing, it is our opinion, under existing law, that:

1. The Transaction Documents are in compliance with applicable provisions of State and federal law;
2. The Transaction Documents are legally sufficient to allow the SFAA to approve the issuance of the Bonds through the adoption of the Resolution; and
3. The findings and conclusions appearing in the Resolution are supported by representations or statements of fact appearing in the Transaction Documents.

This opinion letter is delivered solely for your benefit in connection with the approval of the Bonds and may not be used or relied on by any other person or for any other purpose without our prior written consent in each instance. We express no opinion in connection with the issuance of the Bonds or the sale of the Bonds. Our opinions expressed herein are as of the date hereof, and we undertake no obligation to advise you of any changes of applicable law or any other matters that may come to our attention after the date hereof that may affect our opinions expressed herein.

Very truly yours,



PARKER POE ADAMS & BERNSTEIN LLP

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

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

The Housing Authority will issue its not exceeding \$20,000,000 Multifamily Housing Revenue Bonds or Notes (Settlement Manor Apartments Project) Series 2024, in one or more series (“Bonds”), pursuant to Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977, as amended (“Act”). The Housing Authority will use the proceeds of the Bonds to fund a mortgage loan to Hallmark Settlement Manor, LP, a South Carolina limited partnership (“Borrower”), to (i) finance the costs of acquiring, constructing and equipping an approximately 120-unit multifamily housing development to be known as Settlement Manor Apartments located in Greenville County, South Carolina, (ii) establish necessary reserve funds and (iii) provide for certain fees and expenses which may be incurred in connection with the issuance of the Bonds.

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

The Bonds will be issued pursuant to the Act and a Resolution to be adopted by the Board of Commissioners of the Housing Authority at a meeting of the Board of Commissioners which is expected to be held on or around May 15, 2024. The Bonds will not be (i) secured by, or in any way entitled to, a pledge of the full faith, credit, or taxing power of the Housing Authority or the State, (ii) an indebtedness of the Housing Authority or the State within the meaning of any State constitutional provision or statutory limitation, other than indebtedness payable solely from a revenue-producing project or special source that does not include revenues from any tax or license, (iii) a pecuniary liability of the Housing Authority or the State or (iv) a charge against the general credit or taxing power of the Housing Authority or the State.

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

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



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

September 22, 2023

RE: Preliminary Determination of State Tax Credit
Settlement Manor Apartments - 52131

Dear Mr. Kurrie:

The South Carolina State Housing Finance and Development Authority (SC Housing) has made a preliminary determination that the above-referenced Property may be eligible for an allocation of South Carolina state housing tax credits (STC) under SC Code Ann. §12-6-3795 in an annual allocation amount not to exceed \$1,383,909.94, and a total allocation amount for the ten-year credit period not to exceed \$13,839,099.40. This allocation amount is not a final determination and is subject to reduction at the time the STC is finalized with an Eligibility Statement.

This preliminary determination is subject to the limitations and other provisions set forth by SC Code Ann. § 12-6-3795. In addition to the foregoing, the Property must meet the requirements below in order for the STC amount to be finalized with an Eligibility Statement issued in conjunction with the issuance of any Form 8609 for the federal housing tax credit.

This Preliminary Determination of State Tax Credit supersedes any previous Preliminary Determination letter issued by SC Housing.

The Property must, without limitation:

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

Sincerely,

Kim Wilbourne

Kim Wilbourne

Low-Income Housing Tax Credit Manager

CERTIFICATE OF THE ALLOCATING AGENCY
SETTLEMENT MANOR APARTMENTS PROJECT

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

As provided in the 2021 South Carolina Qualified Allocation Plan (the "2021 QAP") pursuant to which the Authority administers its Low Income Housing Tax Credit Program, Low Income Housing Tax Credits (the "Tax Credits") are not allocated to developments financed through the issuance and sale of private activity bonds until each such development is placed in service;

As of the date hereof, the Authority is of the belief that should the construction of Settlement Manor Apartments Project (the "Project") be carried out in the manner described in the Project's application, the Project will be a project described by the 2021 QAP as required by the provisions of Section 42(m)(1)(D) of the Internal Revenue Code of 1986, as amended (the "Code"). The above statement is predicated upon the assumption contained therein. A final determination as to whether or not the Project will be a project described in the 2021 QAP cannot be made until such time as the Project has been completed, placed in service, and has submitted an application to receive an allocation of Tax Credits; and

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

IN WITNESS WHEREOF I have set my hand this _____ day of February, 2024.

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

By: Richard Hutto
Richard Hutto, Executive Director

STATE FISCAL ACCOUNTABILITY AUTHORITY

REGULAR SESSION

MEETING OF March 26, 2024

ITEM NUMBER 16

AGENCY: State Fiscal Accountability Authority

SUBJECT: Future Meeting

The next regular meeting of the State Fiscal Accountability Authority will be held at 2:00 p.m. on Tuesday, June 18, 2024, in Room 252, Edgar A. Brown Building.

AUTHORITY ACTION REQUESTED:

Agree to meet at 2:00 p.m. on Tuesday, June 18, 2024, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: